

(English Translation of Financial Statements and Report Originally Issued in Chinese)

**EVERGREEN AVIATION TECHNOLOGIES
CORPORATION**

Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Evergreen Aviation Technologies Corporation:

Introduction

We have reviewed the accompanying balance sheets of Evergreen Aviation Technologies Corporation (“the Company”) as of June 30, 2025 and 2024, and the related statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Evergreen Aviation Technologies Corporation as of June 30, 2025 and 2024, and of its financial performance for the three months and six months ended June 30, 2025 and 2024, and its cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Ya-Ling and Cheng, Po-Jen.

KPMG

Taipei, Taiwan (Republic of China)

August 11, 2025

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION

Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 5,542,613	23	4,471,379	19	6,141,353	26	2130	Contract liabilities-current (note 6(q))	\$ 42,019	-	1,318	-	11,421	-
1140	Contract assets-current (note 6(q))	833,541	3	635,875	3	660,289	3	2280	Current lease liabilities (note 6(l))	141,951	1	133,588	1	110,315	1
1170	Notes and accounts receivable, net (notes 6(b) and (q))	2,787,955	12	2,560,603	11	2,378,005	10	2170	Accounts payable	975,662	4	948,897	4	850,243	4
1180	Accounts receivable from related parties, net (notes 6(b), (q) and 7)	1,104,680	5	1,338,868	6	775,494	3	2180	Accounts payable to related parties (note 7)	55,994	-	41,010	-	40,654	-
1200	Other receivables (note 6(c))	26,693	-	29,926	-	22,303	-	2200	Other payables (notes 6(p) and (s))	2,526,285	11	560,718	2	2,462,704	10
1210	Other receivables from related parties (notes 6(c) and 7)	25,632	-	25,006	-	220,896	1	2220	Other payables to related parties (note 7)	8,318	-	22,711	-	47,659	-
130X	Inventories (notes 6(d) and (f))	2,379,821	10	2,582,223	11	2,474,839	10	2230	Current tax liabilities	283,448	1	383,387	2	334,706	1
1470	Other current assets (note 6(j))	142,484	1	138,109	1	109,172	-	2320	Long-term borrowings, current portion (notes 6(k) and 8)	1,362,712	6	1,129,559	5	1,026,609	4
	Total current assets	<u>12,843,419</u>	<u>54</u>	<u>11,781,989</u>	<u>51</u>	<u>12,782,351</u>	<u>53</u>	2399	Other current liabilities	22,169	-	81,865	-	17,195	-
Non-current assets:									Total current liabilities	<u>5,418,558</u>	<u>23</u>	<u>3,303,053</u>	<u>14</u>	<u>4,901,506</u>	<u>20</u>
1550	Investments accounted for using equity method (notes 6(e) and 7)	1,300,320	6	1,536,767	7	1,840,958	8		Non-current liabilities:						
1600	Property, plant and equipment (notes 6(f), 7 and 8)	5,723,792	24	5,836,578	26	5,945,377	25	2540	Long-term borrowings (notes 6(k) and 8)	3,738,477	16	4,235,289	18	4,822,190	20
1755	Right-of-use assets (note 6(g))	2,278,700	10	2,277,628	10	1,918,890	8	2570	Deferred tax liabilities	5,605	-	5,605	-	-	-
1760	Investment property (notes 6(h) and 8)	960,855	4	983,768	4	1,006,681	4	2580	Non-current lease liabilities (note 6(l))	2,217,091	9	2,217,260	10	1,873,558	8
1780	Intangible assets (note 6(i))	24,694	-	28,145	-	31,076	-	2645	Guarantee deposits received	624	-	624	-	824	-
1840	Deferred income tax assets	266,965	1	266,965	1	236,910	1		Total non-Current liabilities	<u>5,961,797</u>	<u>25</u>	<u>6,458,778</u>	<u>28</u>	<u>6,696,572</u>	<u>28</u>
1975	Net defined benefit assets	234,332	1	238,548	1	110,709	1		Total liabilities	<u>11,380,355</u>	<u>48</u>	<u>9,761,831</u>	<u>42</u>	<u>11,598,078</u>	<u>48</u>
1900	Other non-current assets (notes 6(f), (j) and 8)	107,584	-	50,036	-	59,242	-		Equity (notes 6(e) and (p)):						
	Total non-current assets	<u>10,897,242</u>	<u>46</u>	<u>11,218,435</u>	<u>49</u>	<u>11,149,843</u>	<u>47</u>	3100	Ordinary shares	3,745,709	16	3,745,709	16	3,745,709	16
								3200	Capital surplus	2,131,649	9	2,131,649	10	2,131,649	9
								3300	Retained earnings	6,466,228	27	7,325,172	32	6,424,331	27
								3400	Other equity	16,720	-	36,063	-	32,427	-
									Total equity	<u>12,360,306</u>	<u>52</u>	<u>13,238,593</u>	<u>58</u>	<u>12,334,116</u>	<u>52</u>
Total assets		<u>\$ 23,740,661</u>	<u>100</u>	<u>23,000,424</u>	<u>100</u>	<u>23,932,194</u>	<u>100</u>		Total liabilities and equity	<u>\$ 23,740,661</u>	<u>100</u>	<u>23,000,424</u>	<u>100</u>	<u>23,932,194</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION

Statements of Comprehensive Income

For the three months ended and six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

	For the three months ended June 30				For the six months ended June 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(q) and 7)								
	\$ 4,669,501	100	3,983,640	100	8,859,153	100	7,681,924	100	
5000	Operating costs (notes 6(d), (f), (g), (i), (n), (s), 7 and 12)								
	<u>(3,635,177)</u>	<u>(78)</u>	<u>(3,231,843)</u>	<u>(81)</u>	<u>(6,825,617)</u>	<u>(77)</u>	<u>(6,202,750)</u>	<u>(81)</u>	
	Gross profit from operations								
	<u>1,034,324</u>	<u>22</u>	<u>751,797</u>	<u>19</u>	<u>2,033,536</u>	<u>23</u>	<u>1,479,174</u>	<u>19</u>	
	Operating expenses (notes 6(b), (f), (g), (i), (l), (n), (s), 7 and 12):								
6200	Selling and administrative expenses	(155,109)	(3)	(146,511)	(4)	(309,186)	(4)	(288,502)	(4)
6300	Research and development expenses	(6,892)	-	(17,339)	-	(19,171)	-	(30,550)	-
6450	Expected credit gains	10	-	(124)	-	216	-	16	-
	Total operating expenses	<u>(161,991)</u>	<u>(3)</u>	<u>(163,974)</u>	<u>(4)</u>	<u>(328,141)</u>	<u>(4)</u>	<u>(319,036)</u>	<u>(4)</u>
	Net operating income	<u>872,333</u>	<u>19</u>	<u>587,823</u>	<u>15</u>	<u>1,705,395</u>	<u>19</u>	<u>1,160,138</u>	<u>15</u>
	Non-operating income and expenses (notes 6(e), (f), (h), (l), (m), (t) and 7):								
7010	Other income	5,338	-	5,374	-	10,799	-	10,596	-
7100	Interest income	33,144	1	33,487	1	63,213	1	60,030	1
7020	Other gains and losses	(506,735)	(11)	48,785	1	(450,648)	(5)	172,953	2
7050	Finance costs	(34,291)	(1)	(34,080)	(1)	(69,434)	(1)	(68,030)	(1)
7060	Share of profit (loss) of associates accounted for using equity method	<u>(33,786)</u>	<u>(1)</u>	<u>(12,565)</u>	<u>-</u>	<u>(226,044)</u>	<u>(3)</u>	<u>(70,713)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>(536,330)</u>	<u>(12)</u>	<u>41,001</u>	<u>1</u>	<u>(672,114)</u>	<u>(8)</u>	<u>104,836</u>	<u>1</u>
7900	Profit before tax	336,003	7	628,824	16	1,033,281	11	1,264,974	16
7951	Income tax expense (note 6(o))	<u>(67,200)</u>	<u>(1)</u>	<u>(125,765)</u>	<u>(3)</u>	<u>(206,656)</u>	<u>(2)</u>	<u>(252,995)</u>	<u>(3)</u>
	Profit	<u>268,803</u>	<u>6</u>	<u>503,059</u>	<u>13</u>	<u>826,625</u>	<u>9</u>	<u>1,011,979</u>	<u>13</u>
8300	Other comprehensive income (notes 6(e) and (p)):								
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(19,326)	(1)	15,106	-	(19,343)	-	48,782	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(19,326)</u>	<u>(1)</u>	<u>15,106</u>	<u>-</u>	<u>(19,343)</u>	<u>-</u>	<u>48,782</u>	<u>1</u>
8300	Other comprehensive income, net of tax	<u>(19,326)</u>	<u>(1)</u>	<u>15,106</u>	<u>-</u>	<u>(19,343)</u>	<u>-</u>	<u>48,782</u>	<u>1</u>
	Total comprehensive income	<u>\$ 249,477</u>	<u>5</u>	<u>518,165</u>	<u>13</u>	<u>807,282</u>	<u>9</u>	<u>1,060,761</u>	<u>14</u>
	Earnings per share (note 6(r))								
9750	Basic earnings per share (in New Taiwan Dollars)	<u>\$ 0.72</u>		<u>1.34</u>		<u>2.21</u>		<u>2.70</u>	
9850	Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 0.72</u>		<u>1.34</u>		<u>2.20</u>		<u>2.69</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION**Statements of Changes in Equity****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Capital surplus	Retained earnings				Other equity	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	
Balance on January 1, 2024	\$ 3,745,709	2,131,649	1,896,657	16,716	5,184,548	7,097,921	(16,355)	12,958,924
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	176,063	-	(176,063)	-	-	-
Special reserve	-	-	-	(361)	361	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,685,569)	(1,685,569)	-	(1,685,569)
	-	-	176,063	(361)	(1,861,271)	(1,685,569)	-	(1,685,569)
Profit	-	-	-	-	1,011,979	1,011,979	-	1,011,979
Other comprehensive income	-	-	-	-	-	-	48,782	48,782
Total comprehensive income	-	-	-	-	1,011,979	1,011,979	48,782	1,060,761
Balance on June 30, 2024	\$ 3,745,709	2,131,649	2,072,720	16,355	4,335,256	6,424,331	32,427	12,334,116
Balance on January 1, 2025	\$ 3,745,709	2,131,649	2,072,720	16,355	5,236,097	7,325,172	36,063	13,238,593
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	191,282	-	(191,282)	-	-	-
Special reserve	-	-	-	(16,355)	16,355	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,685,569)	(1,685,569)	-	(1,685,569)
	-	-	191,282	(16,355)	(1,860,496)	(1,685,569)	-	(1,685,569)
Profit	-	-	-	-	826,625	826,625	-	826,625
Other comprehensive income	-	-	-	-	-	-	(19,343)	(19,343)
Total comprehensive income	-	-	-	-	826,625	826,625	(19,343)	807,282
Balance on June 30, 2025	\$ 3,745,709	2,131,649	2,264,002	-	4,202,226	6,466,228	16,720	12,360,306

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION

Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 1,033,281	1,264,974
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	362,305	349,535
Amortization expense	7,429	7,509
Expected credit gains	(216)	(16)
Net gains on financial assets or liabilities at fair value through profit or loss	(412)	(545)
Interest expense	69,434	68,030
Interest income	(63,213)	(60,030)
Shares of loss of associates accounted for using the equity method	226,044	70,713
Gains on disposal of property, plant and equipment	(692)	(180)
Others	14,163	(8,643)
Total adjustments to reconcile profit	614,842	426,373
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(197,666)	(177,825)
Notes and accounts receivable, including related parties	7,052	31,638
Other receivables, including related parties	2,171	(3,864)
Inventories	202,569	(166,102)
Other current assets	(4,375)	(43,638)
Net defined benefit assets	4,216	5,987
Total changes in operating assets	13,967	(353,804)
Changes in operating liabilities:		
Contract liabilities	40,701	(8,175)
Accounts payable, including related parties	41,749	141,404
Other payables, including related parties	278,724	291,237
Other current liabilities	(59,696)	(48,917)
Total changes in operating liabilities	301,478	375,549
Total changes in operating assets and liabilities	315,445	21,745
Total adjustments	930,287	448,118
Cash inflow generated from operations	1,963,568	1,713,092
Income taxes paid	(306,595)	(376,408)
Net cash flows from operating activities	1,656,973	1,336,684
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(980,000)	(1,160,000)
Proceeds from disposal of financial assets at fair value through profit or loss	980,412	1,160,545
Acquisition of property, plant and equipment	(149,190)	(89,841)
Proceeds from disposal of property, plant and equipment	1,400	965
Acquisition of intangible assets	(3,978)	-
Increase in other non-current assets	(1,166)	(336)
Increase in prepayments for business facilities	(95,458)	(19,248)
Interest received	63,649	59,037
Net cash flow used in investing activities	(184,331)	(48,878)
Cash flows generated from (used in) financing activities:		
Proceeds from long-term borrowings	550,000	550,000
Repayments of long-term borrowings	(813,659)	(904,186)
Payments of lease liabilities	(67,616)	(54,611)
Interest paid	(70,133)	(67,690)
Net cash flow used in financing activities	(401,408)	(476,487)
Net increase in cash and cash equivalents	1,071,234	811,319
Cash and cash equivalents at the beginning of period	4,471,379	5,330,034
Cash and cash equivalents at the end of period	\$ 5,542,613	6,141,353

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to the Financial Statements
June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Evergreen Aviation Technologies Corporation (the “Company”) was incorporated on November 10, 1997, as a corporation limited by shares under the Company Act of the Republic of China (R.O.C.).

The business activities of the Company are

- maintenance, repair and overhaul of airframes, aircraft engines and accessories;
- manufacture, conversion and sale of airframes and engine parts;
- technical and management consulting for the preceding items;
- import and export of the preceding items;
- civil aviation personnel training.
- airport ground handling service.

(2) Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on August 11, 2025.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies

Except the following accounting policies mentioned below, the significant accounting policies adopted in the financial statements are the same as those in the financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the financial statements for the year ended December 31, 2024.

(a) Statement of compliance

These financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual financial statements.

(b) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim financial statements for the current period and the 2024 financial statements. Please refer to note 6 to the 2024 annual financial statements.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,344	1,381	1,613
Cash in bank	284,569	422,523	568,890
Time deposits	<u>5,256,700</u>	<u>4,047,475</u>	<u>5,570,850</u>
Cash and cash equivalents	<u>\$ 5,542,613</u>	<u>4,471,379</u>	<u>6,141,353</u>

Please refer to note 6(u) for the currency risk and sensitivity analysis of the financial instruments of the Company.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(b) Notes and accounts receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ 392	-	-
Accounts receivable (including related parties)	3,892,309	3,899,753	3,153,688
Less: loss allowance	<u>(66)</u>	<u>(282)</u>	<u>(189)</u>
	<u><u>\$ 3,892,635</u></u>	<u><u>3,899,471</u></u>	<u><u>3,153,499</u></u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and accounts receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The loss allowances were determined as follows:

	<u>June 30, 2025</u>		
	<u>Notes and accounts receivable (including related parties) carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 3,792,732	0.00%	-
Overdue 1~30 days	91,045	0.00%	-
Overdue 31~60 days	832	0.00%	-
Overdue 61 days but less than one year	8,028	0.02%	2
Overdue more than one year	<u>64</u>	100.00%	<u>64</u>
	<u><u>\$ 3,892,701</u></u>		<u><u>66</u></u>
	<u>December 31, 2024</u>		
	<u>Notes and accounts receivable (including related parties) carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 3,696,131	0.00%	58
Overdue 1~30 days	165,310	0.04%	62
Overdue 31~60 days	37,544	0.23%	86
Overdue 61 days but less than one year	696	0.57%	4
Overdue more than one year	<u>72</u>	100%	<u>72</u>
	<u><u>\$ 3,899,753</u></u>		<u><u>282</u></u>

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

	June 30, 2024		
	Notes and accounts receivable (including related parties) carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 3,084,213	0.00%	47
Overdue 1~30 days	33,842	0.04%	13
Overdue 31~60 days	33,416	0.23%	76
Overdue 61 days but less than one year	2,217	0.57%~56.34%	53
	\$ 3,153,688		189

The movements in the allowance for notes and accounts receivable were as follows:

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Balance at January 1	\$ 282	103,848
Impairment losses recognized	(216)	(16)
Amounts written off	-	(103,643)
Balance at June 30	\$ 66	189

As of June 30, 2025, December 31 and June 30, 2024, the notes and accounts receivable were not pledged as collateral for borrowings.

For other credit risk information, please refer to note 6(u).

(c) Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Other receivables	\$ 26,693	29,926	22,303
Other receivables-related parties	25,632	25,006	220,896
Less: loss allowance	-	-	-
	\$ 52,325	54,932	243,199

As of June 30, 2025, December 31 and June 30, 2024, the aforementioned financial assets were not pledged as collateral for borrowings. For other credit risk information, please refer to note 6(u).

For the six months ended June 30, 2025 and 2024, there were no impairment losses recognized for other receivables.

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(d) Inventories

(i) The components were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Spares and expendable part	\$ 501,143	560,765	479,872
Raw material	1,017,314	1,064,051	926,868
Work-in-progress	768,253	727,972	863,091
Finished goods	93,111	229,435	205,008
	<u>\$ 2,379,821</u>	<u>2,582,223</u>	<u>2,474,839</u>

(ii) Except for cost of goods sold and inventories recognized as expense, the gains or losses which were recognized as operating costs were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Write-down of inventories	\$ 30,481	343	49,722	6,237
Unallocated fixed manufacturing overhead	76,551	77,753	140,611	138,484
Gains on inventory count	-	(1)	-	(1)
Scrap income	(2,782)	(1,366)	(4,001)	(1,877)
	<u>\$ 104,250</u>	<u>76,729</u>	<u>186,332</u>	<u>142,843</u>

(iii) As of June 30, 2025, December 31 and June 30, 2024, these inventories were not pledged as collateral for borrowings.

(e) Investments accounted for using the equity method

(i) The components of investments accounted for using the equity method were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u>\$ 1,300,320</u>	<u>1,536,767</u>	<u>1,840,958</u>

(ii) Associates

Name of associates	Nature of relationship with the Company	Main operating location/ registered country of the Company	Percentage of shareholding voting rights		
			June 30, 2025	December 31, 2024	June 30, 2024
GE Evergreen Engine Services Corp.	Maintenance of aircraft engines and engine parts.	R.O.C.	49.00 %	49.00 %	49.00 %
Spirit Evergreen Aftermarket Solution Co., Ltd.	Maintenance of aircraft components.	R.O.C.	49.00 %	49.00 %	49.00 %
Ever Superior Technologies Corporation	Chemical surface treatment of metal products.	R.O.C.	35.00 %	35.00 %	35.00 %

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The summarized financial information of the abovementioned associates which is material to the Company is as follows. The financial information has been prepared in accordance with the IFRS endorsed by the FSC. The amounts included in the IFRS financial statements of the associates have been adjusted to reflect the adjustments made by the entity when using the equity method, such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

The summarized financial information of GE Evergreen Engine Services Corp. was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 6,157,989	6,984,676	5,414,398
Non-current assets	3,335,765	3,284,273	3,324,966
Current liabilities	(5,867,770)	(6,052,573)	(3,810,962)
Non-current liabilities	(601,705)	(671,773)	(678,989)
Net assets	<u>\$ 3,024,279</u>	<u>3,544,603</u>	<u>4,249,413</u>

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating revenue	<u>\$ 3,238,960</u>	<u>3,996,021</u>	<u>4,848,704</u>	<u>6,810,368</u>
Loss from continuing operations	\$ (77,470)	(37,658)	(480,850)	(157,091)
Other comprehensive income	(39,440)	30,826	(39,474)	99,554
Total comprehensive income	<u>\$ (116,910)</u>	<u>(6,832)</u>	<u>(520,324)</u>	<u>(57,537)</u>

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Share of net assets of associates as of January 1	\$ 1,736,855	2,323,665
Comprehensive income attributable to the Company	(254,958)	(28,193)
Dividends received from associates	-	(213,266)
Share of net assets of associates as of June 30	1,481,897	2,082,206
Less: downstream transaction unrealized gain	(331,861)	(372,379)
Ending balance of associates owned by the Company	<u>\$ 1,150,036</u>	<u>1,709,827</u>

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of individually insignificant associates' equity	<u>\$ 150,284</u>	<u>140,712</u>	<u>131,131</u>

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

Attributable to the Company:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Profit from continuing operations \$	4,174	5,888	9,572	6,262
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ 4,174</u>	<u>5,888</u>	<u>9,572</u>	<u>6,262</u>

(iii) Pledge

As of June 30, 2025, December 31 and June 30, 2024, the Company did not provide any investment accounted for using the equity method as collateral for borrowings.

(f) Property, plant and equipment

The movements in cost and accumulated depreciation of property, plant and equipment were as follows:

	Land	Buildings and structures	Machinery and equipment	Unfinished construction	Total
Cost:					
Balance as of January 1, 2025	\$ 759,534	8,727,902	5,998,088	17,346	15,502,870
Additions	-	-	126,818	22,372	149,190
Disposals	-	-	(100,843)	-	(100,843)
Reclassification (Note)	-	-	26,121	-	26,121
Balance as of June 30, 2025	<u>\$ 759,534</u>	<u>8,727,902</u>	<u>6,050,184</u>	<u>39,718</u>	<u>15,577,338</u>
Balance as of January 1, 2024	\$ 759,534	8,727,902	5,773,418	7,403	15,268,257
Additions	-	-	71,006	18,835	89,841
Disposals	-	-	(23,865)	-	(23,865)
Reclassification (Note)	-	-	32,436	(19,560)	12,876
Balance as of June 30, 2024	<u>\$ 759,534</u>	<u>8,727,902</u>	<u>5,852,995</u>	<u>6,678</u>	<u>15,347,109</u>
Accumulated depreciation:					
Balance as of January 1, 2025	\$ -	5,088,693	4,577,599	-	9,666,292
Depreciation	-	146,176	141,391	-	287,567
Disposals	-	-	(100,135)	-	(100,135)
Reclassification (Note)	-	-	(178)	-	(178)
Balance as of June 30, 2025	<u>\$ -</u>	<u>5,234,869</u>	<u>4,618,677</u>	<u>-</u>	<u>9,853,546</u>
Balance as of January 1, 2024	\$ -	4,792,605	4,342,221	-	9,134,826
Depreciation	-	149,913	140,455	-	290,368
Disposals	-	-	(23,080)	-	(23,080)
Reclassification (Note)	-	-	(382)	-	(382)
Balance as of June 30, 2024	<u>\$ -</u>	<u>4,942,518</u>	<u>4,459,214</u>	<u>-</u>	<u>9,401,732</u>
Carrying amounts:					
Balance as of January 1, 2025	<u>\$ 759,534</u>	<u>3,639,209</u>	<u>1,420,489</u>	<u>17,346</u>	<u>5,836,578</u>
Balance as of June 30, 2025	<u>\$ 759,534</u>	<u>3,493,033</u>	<u>1,431,507</u>	<u>39,718</u>	<u>5,723,792</u>
Balance as of January 1, 2024	<u>\$ 759,534</u>	<u>3,935,297</u>	<u>1,431,197</u>	<u>7,403</u>	<u>6,133,431</u>
Balance as of June 30, 2024	<u>\$ 759,534</u>	<u>3,785,384</u>	<u>1,393,781</u>	<u>6,678</u>	<u>5,945,377</u>

Note: Reclassifications are mainly the transfers of the inventories and prepayment for equipment being reclassified to/from property, plant and equipment.

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(i) Pledge

As of June 30, 2025, December 31 and June 30, 2024, the Company's property, plant and equipment have been pledged for long-term borrowings and lines of credit, please refer to note 8.

- (ii) In 2015, the Company purchased a piece of agricultural land on Puxin, Dayuan Dist., Taoyuan City for car park lot amounting to \$60,558 thousand. The purchase was in the name of EGAT's director. The Company has implemented adequate safeguard procedures by setting mortgage for the agricultural land mentioned above.

(g) Right-of-use assets

The Company leases many assets including land and buildings. Information about leases for which the Company has been a lessee was presented below:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 2,914,475	30,499	2,944,974
Additions	75,810	-	75,810
Balance at June 30, 2025	<u>\$ 2,990,285</u>	<u>30,499</u>	<u>3,020,784</u>
Balance at June 30, 2024 (same as beginning at January 1, 2024)	<u>\$ 2,479,771</u>	<u>30,499</u>	<u>2,510,270</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 647,014	20,332	667,346
Depreciation	69,654	5,084	74,738
Balance at June 30, 2025	<u>\$ 716,668</u>	<u>25,416</u>	<u>742,084</u>
Balance at January 1, 2024	\$ 522,047	10,166	532,213
Depreciation	54,083	5,084	59,167
Balance at June 30, 2024	<u>\$ 576,130</u>	<u>15,250</u>	<u>591,380</u>
Carrying amount:			
Balance at January 1, 2025	<u>\$ 2,267,461</u>	<u>10,167</u>	<u>2,277,628</u>
Balance at June 30, 2025	<u>\$ 2,273,617</u>	<u>5,083</u>	<u>2,278,700</u>
Balance at January 1, 2024	<u>\$ 1,957,724</u>	<u>20,333</u>	<u>1,978,057</u>
Balance at June 30, 2024	<u>\$ 1,903,641</u>	<u>15,249</u>	<u>1,918,890</u>

(h) Investment property

Investment property comprises land and buildings that are leased to third parties under operating leases, including properties, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 10 years. Some leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The movements of investment property were as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at June 30, 2025 (same as beginning at January 1, 2025)	\$ <u>354,061</u>	<u>791,923</u>	<u>1,145,984</u>
Balance at June 30, 2024 (same as beginning at January 1, 2024)	\$ <u>354,061</u>	<u>791,923</u>	<u>1,145,984</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ -	162,216	162,216
Depreciation	<u>-</u>	<u>22,913</u>	<u>22,913</u>
Balance at June 30, 2025	\$ <u>-</u>	<u>185,129</u>	<u>185,129</u>
Balance at January 1, 2024	\$ -	116,390	116,390
Depreciation	<u>-</u>	<u>22,913</u>	<u>22,913</u>
Balance at June 30, 2024	\$ <u>-</u>	<u>139,303</u>	<u>139,303</u>
Carrying amount:			
Balance at January 1, 2025	\$ <u>354,061</u>	<u>629,707</u>	<u>983,768</u>
Balance at June 30, 2025	\$ <u>354,061</u>	<u>606,794</u>	<u>960,855</u>
Balance at January 1, 2024	\$ <u>354,061</u>	<u>675,533</u>	<u>1,029,594</u>
Balance at June 30, 2024	\$ <u>354,061</u>	<u>652,620</u>	<u>1,006,681</u>
Fair value:			
Balance at January 1, 2025			\$ <u>1,664,912</u>
Balance at June 30, 2025			\$ <u>1,664,912</u>
Balance at January 1, 2024			\$ <u>1,500,459</u>
Balance at June 30, 2024			\$ <u>1,500,459</u>

The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

Fair value was measured using the cost approach and market approach.

As of June 30, 2025, December 31 and June 30, 2024, the Company's investment property, plant and equipment had been pledged for long-term borrowings and lines of credit; please refer to note 8.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(i) Intangible assets

The movements cost and amortization of the intangible assets of the Company were as follows:

	<u>Computer software</u>	<u>Specialized technology</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2025	\$ 227,277	21,139	248,416
Additions	<u>3,978</u>	<u>-</u>	<u>3,978</u>
Balance as of June 30, 2025	<u>\$ 231,255</u>	<u>21,139</u>	<u>252,394</u>
Balance as of June 30, 2024 (same as beginning at January 1, 2024)	<u>\$ 226,374</u>	<u>21,139</u>	<u>247,513</u>
Accumulated amortization:			
Balance as of January 1, 2025	\$ 211,816	8,455	220,271
Amortization	<u>5,315</u>	<u>2,114</u>	<u>7,429</u>
Balance as of June 30, 2025	<u>\$ 217,131</u>	<u>10,569</u>	<u>227,700</u>
Balance as of January 1, 2024	\$ 204,700	4,228	208,928
Amortization	<u>5,396</u>	<u>2,113</u>	<u>7,509</u>
Balance as of June 30, 2024	<u>\$ 210,096</u>	<u>6,341</u>	<u>216,437</u>
Carrying amount:			
Balance as of January 1, 2025	<u>\$ 15,461</u>	<u>12,684</u>	<u>28,145</u>
Balance as of June 30, 2025	<u>\$ 14,124</u>	<u>10,570</u>	<u>24,694</u>
Balance as of January 1, 2024	<u>\$ 21,674</u>	<u>16,911</u>	<u>38,585</u>
Balance as of June 30, 2024	<u>\$ 16,278</u>	<u>14,798</u>	<u>31,076</u>

(i) Amortization

For the six months ended June 30, 2025 and 2024, the amortization of intangible assets is included under operating costs and operating expenses in the statement of comprehensive income.

(ii) Pledge

The aforementioned intangible assets were not pledged as collateral for borrowings.

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(j) Other current assets and other non-current assets

The details of the Company's other current assets were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments	<u>\$ 142,484</u>	<u>138,109</u>	<u>109,172</u>

The details of the Company's other non-current assets were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Pledged time deposits	\$ 1,694	1,694	1,690
Guarantee deposits	237	406	338
Prepayments for equipment	101,819	45,437	56,558
Others	<u>3,834</u>	<u>2,499</u>	<u>656</u>
	<u>\$ 107,584</u>	<u>50,036</u>	<u>59,242</u>

(k) Long-term borrowings

The details, conditions and terms of the Company's long-term borrowings were as follows:

	June 30, 2025			
	Currency	Interest rate	Year due	Amount
Unsecured loans	NTD	1.78%~2.01%	2025~2029	\$ 3,756,500
Secured loans	NTD	1.83%~1.92%	2025~2037	<u>1,344,689</u>
Subtotal				5,101,189
Less: current portion				<u>1,362,712</u>
Total				<u>\$ 3,738,477</u>
	December 31, 2024			
	Currency	Interest rate	Year due	Amount
Unsecured loans	NTD	1.78%~2.04%	2025~2029	\$ 3,925,834
Secured loans	NTD	1.83%~1.92%	2025~2037	<u>1,439,014</u>
Subtotal				5,364,848
Less: current portion				<u>1,129,559</u>
Total				<u>\$ 4,235,289</u>

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

	June 30, 2024			
	Currency	Interest rate	Year due	Amount
Unsecured loans	NTD	1.78%~2.04%	2024~2029	\$ 4,314,167
Secured loans	NTD	1.83%~1.95%	2024~2037	1,534,632
Subtotal				5,848,799
Less: current portion				1,026,609
Total				\$ 4,822,190

As of June 30, 2025, the details of the future repayment periods and amounts of the Company's long-term borrowings were as follows:

Period	Amount
2025/07/01~2026/06/30	\$ 1,362,712
2026/07/01~2027/06/30	1,221,857
2027/07/01~2028/06/30	456,175
2028/07/01~2029/06/30	773,164
2029/07/01~2030/06/30	870,160
2030/07/01 and thereafter	417,121
	\$ 5,101,189

Information on the Company's exposure to interest rate risk, currency risk and liquidity risk is disclosed in note 6(u).

(i) Pledge for borrowings

The pledge for borrowings is disclosed in note 8.

(ii) Unused lines of credit

As of June 30, 2025, December 31 and June 30, 2024, the unused credit lines for short-term and long-term borrowings amounted to \$1,700,000 thousand, \$1,850,000 thousand and \$2,110,000 thousand, respectively.

(l) Lease liabilities

The Company's amounts of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 141,951	133,588	110,315
Non-current	2,217,091	2,217,260	1,873,558

For the maturity analysis, please refer to note 6(u).

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest on lease liabilities	<u>\$ 9,890</u>	<u>6,483</u>	<u>19,809</u>	<u>13,057</u>
Expenses relating to short-term leases	<u>\$ 6,773</u>	<u>10,569</u>	<u>14,106</u>	<u>18,879</u>

The amounts recognized in the statement of cash flows by the Company were as follows:

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Total cash outflow for leases	<u>\$ 101,531</u>	<u>86,547</u>

The lease of land, buildings and structures:

The Company leases land which typically run for a period of 35 years, and of buildings and structures for 3 years. Some leases include an option to extend the lease for the same duration at the end of the contract term.

(m) Operating lease

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(h) for information on the operating leases of investment property.

A maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than one year	\$ 19,760	22,012	21,684
One to two years	19,942	22,216	21,884
Two to three years	20,127	22,421	22,086
Three to four years	20,313	22,628	22,291
Four to five years	20,501	22,837	22,497
More than five years	<u>272,931</u>	<u>316,921</u>	<u>324,978</u>
Total undiscounted lease payments	<u>\$ 373,574</u>	<u>429,035</u>	<u>435,420</u>

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The rent revenue for investment property were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Rent revenue	<u>\$ 5,338</u>	<u>5,346</u>	<u>10,799</u>	<u>10,540</u>

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Company were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating costs and expenses	<u>\$ 2,487</u>	<u>3,858</u>	<u>4,975</u>	<u>7,715</u>

(ii) Defined contribution plans

The Company's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating costs and expenses	<u>\$ 39,218</u>	<u>36,611</u>	<u>79,848</u>	<u>72,272</u>

(o) Income tax

(i) Income tax expenses

The components of income tax were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Current tax expenses	<u>\$ 67,200</u>	<u>125,765</u>	<u>206,656</u>	<u>252,995</u>

(ii) For the three months and six months ended June 30, 2025 and 2024, there were no income tax expense recognized in other comprehensive income.

(iii) The Company's income tax returns for the years through 2023 were assessed by the local tax authorities.

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(p) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the six months ended June 30, 2025 and 2024. For the related information, please refer to note 6(p) of the financial statements for the year ended December 31, 2024.

(i) Retained earnings

The Company's Article of Incorporation stipulates that the Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The dividends can be distributed wholly or partly in cash only after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

As the Company is in its growth phase, the Board of Directors has adopted the following principles in the appropriation of earnings, in order to meet its operational plan and guarantee shareholders' right:

- a) The annual appropriation of not less than 50% of the current after-tax net income as the shareholder's dividend.
- b) The dividends may be distributed either in full cash, or in the form of cash dividends of at least 50% of the total dividends.

On March 10, 2025 and March 11, 2024, the board of directors' meeting resolved to distribute the 2024 and 2023 earnings. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 4.50	1,685,569	4.50	1,685,569

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(ii) Other equity

	Exchange differences on translation of foreign financial statements
Beginning at January 1, 2025	\$ 36,063
Exchange differences on associates accounted for using equity method	(19,343)
Balance at June 30, 2025	\$ 16,720
Balance at January 1, 2024	\$ (16,355)
Exchange differences on associates accounted for using equity method	48,782
Balance at June 30, 2024	\$ 32,427

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Primary geographical markets:				
Taiwan	\$ 1,973,900	1,601,746	3,679,860	3,008,481
Asia	713,666	743,819	1,283,333	1,408,919
North America	1,708,971	1,409,190	3,303,318	2,785,198
Europe	272,964	228,885	592,642	479,326
	\$ 4,669,501	3,983,640	8,859,153	7,681,924
Type of contract:				
Maintenance of aircrafts and other	\$ 3,621,692	3,208,362	6,991,477	6,082,580
Manufacturing and selling of aircrafts related components	1,047,809	775,278	1,867,676	1,599,344
	\$ 4,669,501	3,983,640	8,859,153	7,681,924

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable (including related parties)	\$ 3,892,701	3,899,753	3,153,688
Less: loss allowance	(66)	(282)	(189)
Total	\$ 3,892,635	3,899,471	3,153,499
Contract assets-maintenance service	\$ 833,541	635,875	660,289
Contract liabilities	\$ 42,019	1,318	11,421

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

For details on notes and accounts receivable (including related parties) and loss allowance, please refer to note 6(b).

The amount of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$1,318 thousand and \$19,596 thousand, respectively.

The contract asset primarily relates to the amount of revenue that has been recognized for the maintenance but not completed at the reporting date. The contract assets are transferred to receivables when the rights to consideration become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer for the maintenance but has not yet completed and the advance consideration received for goods but the goods have not been transferred to customers, for which revenue is recognized when the products or the services are delivered to customer.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The contract of maintenance services has an original expected duration of less than one year, thus the Company applies the practical expedient of IFRS 15 and does not disclose information about the transaction price allocated to the remaining performance obligations of the contract.

(r) Earnings per share (“EPS”)

For the three months and six months ended June 30, 2025 and 2024, basic earnings per share and diluted earnings per share were calculated as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>268,803</u>	<u>503,059</u>	<u>826,625</u>	<u>1,011,979</u>
Weighted-average number of shares outstanding during the period (thousand shares)	<u>374,571</u>	<u>374,571</u>	<u>374,571</u>	<u>374,571</u>
Basic earnings per share (in New Taiwan Dollars)	\$ <u>0.72</u>	<u>1.34</u>	<u>2.21</u>	<u>2.70</u>

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>268,803</u>	<u>503,059</u>	<u>826,625</u>	<u>1,011,979</u>
Weighted-average number of shares outstanding during the period (thousand shares)	374,571	374,571	374,571	374,571
Effect of the potentially dilutive common stock effect of employee compensation (thousand shares)	<u>841</u>	<u>501</u>	<u>1,463</u>	<u>1,054</u>
Weighted-average number of shares outstanding during the period (After adjusting the potential dilutive common stock) (thousand shares)	<u>375,412</u>	<u>375,072</u>	<u>376,034</u>	<u>375,625</u>
Diluted earnings per share (in New Taiwan Dollars)	\$ <u>0.72</u>	<u>1.34</u>	<u>2.20</u>	<u>2.69</u>

(s) Remunerations to employees and directors

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, a minimum of 1% shall be allocated as employee remuneration (including a minimum of 45% to those base-level employees) and a maximum of 2% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, a minimum of 1% should be allocated as employee remuneration and no more than 2% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

The Company estimated its employees' and directors' remuneration as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Employees' remuneration	\$ 43,950	34,902	88,273	56,360
Directors' remuneration	<u>1,750</u>	<u>1,750</u>	<u>3,500</u>	<u>3,500</u>
	<u>\$ 45,700</u>	<u>36,652</u>	<u>91,773</u>	<u>59,860</u>

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

For the year ended December 31, 2024 and 2023, the Company accrued and recognized its employees' remuneration of \$175,680 thousand and \$152,388 thousand, respectively, and the director's remuneration of \$7,000 thousand, respectively. There were no differences between the actual distributed amounts as determined by Board of Directors and those recognized. The related information mentioned can be found on Market Observation Post System website.

(t) Non-operating income and expenses

(i) Other income

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Rent income	\$ <u>5,338</u>	<u>5,374</u>	<u>10,799</u>	<u>10,596</u>

(ii) Interest income

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest income from bank deposit	\$ <u>33,144</u>	<u>33,487</u>	<u>63,213</u>	<u>60,030</u>

(iii) Other gains and losses

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Gains (losses) on disposal of property, plant and equipment	\$ (316)	208	692	180
Foreign exchange gains (losses), net	(509,140)	40,069	(454,096)	157,290
Others	<u>2,721</u>	<u>8,508</u>	<u>2,756</u>	<u>15,483</u>
	<u>\$ (506,735)</u>	<u>48,785</u>	<u>(450,648)</u>	<u>172,953</u>

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(iv) Finance costs

	For the three months ended <u>June 30, 2025</u>	For the three months ended <u>June 30, 2024</u>	For the six months ended <u>June 30, 2025</u>	For the six months ended <u>June 30, 2024</u>
Interest expense-bank borrowings	\$ 24,401	27,597	49,625	54,973
Interest expense-lease liabilities	9,890	6,483	19,809	13,057
	<u>\$ 34,291</u>	<u>34,080</u>	<u>69,434</u>	<u>68,030</u>

(u) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(v) of the financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Circumstances of concentration of credit risk

The Company's primary potential credit risk is from accounts receivable and similar financial instruments. The Company concentrates on transactions with a few customers. In order to reduce credit risk, the Company also assesses the financial condition of customers regularly and asks for their reimbursement plan. The Company evaluates the credit losses and recognizes impairment provision regularly. The impairment losses were under the expected by management. As of June 30, 2025, December 31 and June 30, 2024, 58%, 60% and 60% of accounts receivable were 2, 2 and 2 major customers, respectively.

3) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note 6(b).

Other financial assets at amortized cost include other receivables and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f) of the financial statement for the year ended December 31, 2024.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
As of June 30, 2025					
Non-derivative financial liabilities					
Long-term borrowings (including current portion)	\$ 5,101,189	5,357,691	1,447,636	3,467,247	442,808
Lease liabilities	2,359,042	2,749,650	180,866	699,519	1,869,265
Accounts payable (including related parties)	1,031,656	1,031,656	1,031,656	-	-
Other payables (including related parties)	2,534,603	2,534,603	2,534,603	-	-
Guarantee deposit received	624	624	-	624	-
Total	<u>\$ 11,027,114</u>	<u>11,674,224</u>	<u>5,194,761</u>	<u>4,167,390</u>	<u>2,312,073</u>
As of December 31, 2024					
Non-derivative financial liabilities					
Long-term borrowings (including current portion)	\$ 5,364,848	5,648,868	1,220,722	3,906,159	521,987
Lease liabilities	2,350,848	2,757,324	172,390	642,487	1,942,447
Accounts payable (including related parties)	989,907	989,907	989,907	-	-
Other payables (including related parties)	583,429	583,429	583,429	-	-
Guarantee deposit received	624	624	-	624	-
Total	<u>\$ 9,289,656</u>	<u>9,980,152</u>	<u>2,966,448</u>	<u>4,549,270</u>	<u>2,464,434</u>
As of June 30, 2024					
Non-derivative financial liabilities					
Long-term borrowings (including current portion)	\$ 5,848,799	6,139,786	1,126,287	4,391,084	622,415
Lease liabilities	1,983,873	2,264,083	135,335	500,148	1,628,600
Accounts payable (including related parties)	890,897	890,897	890,897	-	-
Other payables (including related parties)	2,510,363	2,510,363	2,510,363	-	-
Guarantee deposit received	824	824	200	624	-
Total	<u>\$ 11,234,756</u>	<u>11,805,953</u>	<u>4,663,082</u>	<u>4,891,856</u>	<u>2,251,015</u>

The Company is not expecting that the cash flows including the maturity analysis could occur significantly earlier or at significantly different amounts.

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Notes to Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets									
<u>Monetary items</u>									
USD	\$ 114,453	29.300	3,353,473	118,308	32.785	3,878,728	111,234	32.450	3,609,543
<u>Non-monetary items</u>									
USD	\$ 39,250	29.300	1,150,036	42,582	32.785	1,396,055	52,691	32.450	1,709,827
Financial liabilities									
<u>Monetary items</u>									
USD	\$ 12,019	29.300	352,157	10,879	32.785	356,668	8,201	32.450	266,122

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes receivable, accounts receivable (including related parties), accounts payable (including related parties) and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD as of June 30, 2025 and 2024, would have decreased / increased the profit before tax by \$30,013 thousand and \$33,434 thousand, respectively. Equity would have decreased / increased the profit before tax by \$11,500 thousand and \$17,098 thousand, respectively. The analysis is performed on the same basis for 2025 and 2024.

Due to the variety of the Company's currency, the Company discloses its exchange gains and losses of monetary items collectively. For the three months and six months ended June 30, 2025 and 2024, the Company's foreign exchange gains, net (including realized and unrealized of monetary items) amounted to \$(509,140) thousand, \$40,069 thousand, \$(454,096) thousand and \$157,290 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity management and interest exposure of the Company's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. The Company's internal department reported the increases/decreases in the interest rates and the exposure to changes in interest rates on 0.25% to the Company's key management so as to allow key management to assess the reasonableness of the changes in the interest rates.

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	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Long-term borrowings (including current portion)	\$ 5,364,848	-	-	-	-
Lease liabilities	2,350,848	-	-	-	-
Accounts payable (including related parties)	989,907	-	-	-	-
Other payables (including related parties)	583,429	-	-	-	-
Guarantee deposit received	624	-	-	-	-
Total	<u>\$ 9,289,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	June 30, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 6,141,353	-	-	-	-
Notes and accounts receivable and other receivables (including related parties)	3,396,698	-	-	-	-
Other non-current assets	2,028	-	-	-	-
Total	<u>\$ 9,540,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Long-term borrowings (including current portion)	\$ 5,848,799	-	-	-	-
Lease liabilities	1,983,873	-	-	-	-
Accounts payable (including related parties)	890,897	-	-	-	-
Other payables (including related parties)	2,510,363	-	-	-	-
Guarantee deposit received	824	-	-	-	-
Total	<u>\$ 11,234,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

The fair value of financial instruments traded in an active market is based on the quoted market prices. The quotations, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
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Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

For financial instruments traded in active markets, their fair values are listed below by types and attributes:

- The stocks of publicly traded companies are financial assets which are traded in active markets under standard terms and conditions. The fair value of the abovementioned stocks is based on quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique. Fair value measured by a valuation technique can be extrapolated from the fair value of similar financial instruments, the discounted cash flow method, or other valuation techniques.

For financial instruments not traded in active markets, their fair values are listed below by types and attributes:

- Equity instruments with no quoted market prices: the Company takes the quoted market prices and the price-book ratios of similar publicly traded companies into consideration by using the market comparison approach. The estimates had been adjusted by the depreciation from lack of market liquidity.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow and option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Transfer between Level 1 and Level 2: None.

4) Changes between Level 3: None.

(v) Management of financial risk

There were no significant changes in the Company's financial risk management and policies as disclosed in note 6(w) of the financial statements for the year ended December 31, 2024.

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(w) Capital management

Management believes that the objectives, policies and processes of capital management of the Company have been applied consistently with those described in the financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Company's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(x) of the financial statements for the year ended December 31, 2024 for further details.

(x) Investing and financing activities not affecting current cash flow

(i) For right-of-use assets under leases, please refer to note 6(g).

(ii) The Company's financing activities which did not affect the current cash flow in the six months ended June 30, 2025 and 2024, were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes Right-of-use assets</u>	<u>June 30, 2025</u>
Long-term borrowings	\$ 5,364,848	(263,659)	-	5,101,189
Lease liabilities	2,350,848	(67,616)	75,810	2,359,042
Guarantee deposit received	624	-	-	624
Total liabilities from financing activities	<u>\$ 7,716,320</u>	<u>(331,275)</u>	<u>75,810</u>	<u>7,460,855</u>

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes Right-of-use assets</u>	<u>June 30, 2024</u>
Long-term borrowings	\$ 6,202,985	(354,186)	-	5,848,799
Lease liabilities	2,038,484	(54,611)	-	1,983,873
Guarantee deposit received	824	-	-	824
Total liabilities from financing activities	<u>\$ 8,242,293</u>	<u>(408,797)</u>	<u>-</u>	<u>7,833,496</u>

(7) Related-party transactions

(a) Parent company and ultimate controlling company

EVA Airways Corp. is both the parent company and the ultimate controlling party of the Company. As of June 30, 2025, December 31 and June 30, 2024, it owns 55.05% of all shares outstanding of the Company. EVA Airways Corp. has issued the consolidated financial statements available for public use.

(b) Name and relationship with the Company

<u>Name</u>	<u>Relationship with the Company</u>
EVA Airways Corp.	Parent company
Uni Airways Corp.	Juristic person shareholder
GE Evergreen Engine Services Corp.	Associates
Spirit Evergreen Aftermarket Solutions Co., Ltd.	Associates

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

<u>Name</u>	<u>Relationship with the Company</u>
Ever Superior Technologies Corporation	Associates
Evergreen Airline Services Corp.	Other related parties
Evergreen Sky Catering Corp.	Other related parties
Evergreen Air Cargo Services Corp.	Other related parties
Evergreen Security Corp.	Other related parties
Evergreen Logistics Corporation	Other related parties
EverFun Travel Service Corp.	Other related parties
Evergreen International Corp.	Other related parties
Evergreen International Storage & Transport Corp.	Other related parties
Evergreen Marine Corp.	Other related parties
Ever Accord Construction Corp.	Other related parties
Everfamily International Foods Corporation	Other related parties
Super Max Engineering Enterprise CO., LTD.	Other related parties
Trade-van Information Services Co.	Other related parties
Chang Yung-Fa Foundation	Other related parties

(c) Significant transactions with related parties

(i) Operating revenue

Significant sales to related parties were as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Parent company-EVA Airways Corp.	\$ 1,423,188	1,192,049	2,824,924	2,243,209
Juristic person shareholder-Uni Airways Corp.	91,852	72,991	212,186	155,254
Associates-GE Evergreen Engine Services Corp.	87,177	195,122	154,282	376,794
Associates-others	20,700	21,568	38,966	38,369
Other related parties	<u>138</u>	<u>-</u>	<u>138</u>	<u>-</u>
	<u>\$ 1,623,055</u>	<u>1,481,730</u>	<u>3,230,496</u>	<u>2,813,626</u>

The prices for sales to related parties are not materially different from those to the third-parties sales. The payment terms are within 1~4 months, which do not materially differ from those of third-party transactions. There was no collateral on the accounts receivable from related parties.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(ii) Operating costs

Significant operating costs from transactions with related parties of the Company were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Parent company-EVA Airways Corp.	\$ 22,256	20,874	41,096	37,735
Juristic person shareholder-Uni Airways Corp.	304	25	1,207	81
Associates	1,667	477	3,471	1,030
Other related parties:				
Evergreen Airline Services Corp.	27,567	22,216	51,247	42,930
Evergreen Sky Catering Corp.	23,715	23,958	47,487	47,266
Evergreen Logistics Corporation	31,682	22,893	61,408	41,566
Others	33,572	31,363	64,953	60,500
	\$ 140,763	121,806	270,869	231,108

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

(iii) Operating expenses

Significant operating expenses from transactions with related parties of the Company were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Parent company-EVA Airways Corp.	\$ 1,973	2,404	3,905	4,249
Other related parties:				
Evergreen Sky Catering Corp.	1,506	1,537	2,979	2,966
Evergreen Security Corp.	979	714	1,501	1,487
Evergreen International Storage & Transport Corp.	690	709	1,371	1,323
Others	1,790	2,243	2,967	3,823
	\$ 6,938	7,607	12,723	13,848

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

(iv) Property transaction

- 1) The acquisition of property, plant and equipment and spare parts from related parties were as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Parent company-EVA Airways Corp.	\$ 9,785	38,302	16,899	61,305
Juristic person shareholder-Uni Airways Corp.	65	2	450	164
Other related parties				
Ever Accord Construction Corp.	1,087	2,366	7,095	2,427
Evergreen Security Corp.	<u>226</u>	<u>177</u>	<u>226</u>	<u>332</u>
	<u>\$ 11,163</u>	<u>40,847</u>	<u>24,670</u>	<u>64,228</u>

- 2) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

<u>Class of related parties</u>	<u>For the three months ended June 30, 2024</u>	
	<u>Disposal price</u>	<u>Gains (losses) on disposal</u>
Parent company-EVA Airways Corp.	\$ <u>27</u>	<u>26</u>
<u>Class of related parties</u>	<u>For the six months ended June 30, 2024</u>	
	<u>Disposal price</u>	<u>Gains (losses) on disposal</u>
Parent company-EVA Airways Corp.	\$ <u>27</u>	<u>26</u>

There were no such transactions for the three months and six months ended June 30, 2025.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

3) Other

In December 2019, the Company sold the buildings, which were located in No. 87 and No. 110, Zhongzheng Section, Dayuan District, Taoyuan City, as well as machinery and other equipment to GE Evergreen Engine Services Corp. Gains of disposal were deferred, the amounts were as follows:

	Deferred gains (note)		
	June 30, 2025	December 31, 2024	June 30, 2024
GE Evergreen Engine Services Corp.	\$ 331,861	340,800	372,379

Note: The deferred gains were included in investments accounted for using the equity method.

(v) Leases

The Company leased the facilities to its associate, GE Evergreen Engine Services Corp., and the rent income received monthly is based on the nearby factories rental rate. The amounts of rent income were \$5,338 thousand, \$5,346 thousand, \$10,799 thousand and \$10,540 thousand for the three months and six months ended June 30, 2025 and 2024, respectively. The preceding rent payment has been received.

(vi) Receivables from related parties

Receivables from related parties of the Company were as follows:

Account	Class of related parties	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Parent company-EVA Airways Corp.	\$ 866,858	1,110,934	614,906
Accounts receivable	Juristic person shareholder-Uni Airways Corp.	91,826	116,123	73,127
Accounts receivable	Associates-GE Evergreen Engine Services Corp.	139,401	100,180	79,914
Accounts receivable	Associates-others	6,565	11,631	7,547
Accounts receivable	Other related parties	30	-	-
Subtotal		1,104,680	1,338,868	775,494

(Continued)

EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

<u>Account</u>	<u>Class of related parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other receivables	Parent company-EVA Airways Corp.	\$ 2,631	1,239	851
Other receivables	Juristic person shareholder-Uni Airways Corp.	104	417	210
Other receivables	Associates-GE Evergreen Engine Services Corp.	20,942	22,214	219,031
Other receivables	Associates-others	1,836	884	718
Other receivables	Other related parties	119	252	86
Subtotal		<u>25,632</u>	<u>25,006</u>	<u>220,896</u>
		<u>\$ 1,130,312</u>	<u>1,363,874</u>	<u>996,390</u>

(vii) Payables to related parties

Payables to related parties of the Company were as follows:

<u>Account</u>	<u>Class of related parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts payable	Parent company-EVA Airways Corp.	\$ 22,512	14,099	9,021
Accounts payable	Juristic person shareholder-Uni Airways Corp.	295	37	2
Accounts payable	Associates	564	554	272
Accounts payable	Other related parties:			
	Evergreen Airline Services Corp.	12,114	8,214	8,613
	Evergreen Sky Catering Corp.	7,267	7,240	7,396
	Evergreen Logistics Corporation	3,047	1,931	5,339
	Others	<u>10,195</u>	<u>8,935</u>	<u>10,011</u>
Subtotal		<u>55,994</u>	<u>41,010</u>	<u>40,654</u>
Other payables	Parent company-EVA Airways Corp.	\$ 966	10,253	34,491
Other payables	Juristic person shareholder-Uni Airways Corp.	-	-	2
Other payables	Associates	88	6	70
Other payables	Other related parties:			
	Evergreen Sky Catering Corp.	1,266	863	753
	Evergreen Logistics Corporation	4,941	6,341	4,909
	Others	<u>1,057</u>	<u>5,248</u>	<u>7,434</u>
Subtotal		<u>8,318</u>	<u>22,711</u>	<u>47,659</u>
		<u>\$ 64,312</u>	<u>63,721</u>	<u>88,313</u>

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Financial Statements

(d) Key management personnel compensation

(i) Key management personnel compensation comprised:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Short-term employee benefits	\$ 9,996	12,160	21,975	24,852
Post-employment benefits	68	79	137	10,605
	<u>\$ 10,064</u>	<u>12,239</u>	<u>22,112</u>	<u>35,457</u>

(8) Assets pledged as security

The carrying values of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant, and equipment	Long-term borrowing	<u>\$ 2,977,028</u>	<u>3,055,309</u>	<u>3,133,589</u>
Investment property	Long-term borrowing	<u>\$ 960,855</u>	<u>983,768</u>	<u>1,006,681</u>
Time deposit – non-current asset	Guarantees for customs bonded warehouse establishment	\$ 1,594	1,594	1,590
"	Guarantees for Taiwan Air Cargo Terminal Logistics	100	100	100
		<u>\$ 1,694</u>	<u>1,694</u>	<u>1,690</u>

(9) Commitments and contingencies

(a) For the construction of the Guanyin Branch Plant Phase II, the Company had outstanding contractual commitments amounting to \$483,663 thousand as of June 30, 2025.

(b) Unused letters of credit for the Company were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unused letters of credit	<u>\$ 225,997</u>	<u>226,567</u>	<u>211,906</u>

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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Notes to Financial Statements

(12) Others

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salary	996,744	72,148	1,068,892	954,681	69,233	1,023,914
Labor and health insurance	73,489	4,662	78,151	66,705	4,357	71,062
Pension	39,157	2,548	41,705	37,860	2,609	40,469
Remuneration of directors	-	3,911	3,911	-	3,873	3,873
Others	72,285	3,190	75,475	63,100	3,605	66,705
Depreciation	155,047	28,136	183,183	148,357	24,060	172,417
Amortization	2,539	1,185	3,724	2,427	1,313	3,740

By item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,827,575	131,080	1,958,655	1,736,985	126,698	1,863,683
Labor and health insurance	144,061	9,136	153,197	130,592	8,501	139,093
Pension	78,393	6,430	84,823	74,821	5,166	79,987
Remuneration of directors	-	8,064	8,064	-	7,764	7,764
Others	144,634	6,259	150,893	133,712	6,640	140,352
Depreciation	306,765	55,540	362,305	299,482	50,053	349,535
Amortization	5,077	2,352	7,429	4,856	2,653	7,509

(b) Seasonality of operations

The Company's operations were not affected by seasonality or cyclicity factors.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION
Notes to Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the six months ended June 30, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Significant securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): None.
- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchases / sales	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Aviation Technologies Corp.	EVA Airways Corp.	Parent company	Sales	2,824,924	31.89	60 days	-		866,858	22.27	
"	Uni Airways Corp.	Juristic person shareholder	Sales	212,186	2.40	60 days	-		91,826	2.36	
"	GE Evergreen Engine Services Corp.	Associates	Sales	154,282	1.74	120 days	-		139,401	3.58	

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for impairment loss
					Amount	Action taken		
Evergreen Aviation Technologies Corp.	EVA Airways Corp.	Parent company	869,489	5.70	-	-	869,489	-
"	GE Evergreen Engine Services Corp.	Associates	160,343	2.18	-	-	53,175	-

(vi) Business relationships and significant inter-company transactions : None.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China):

(In Thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares (In thousands)	Ratio of shares	Book value			
Evergreen Aviation Technologies Corp.	GE Evergreen Engine Services Corp.	No. 8, Hangzhan S. Rd., Dayuan Dist., Taoyuan City 337041, Taiwan (R.O.C.)	Maintenance of aircraft engines and engine parts.	2,032,845	2,032,845	203,285	49.00 %	1,150,036	(480,850)	(235,616)	Note 1
"	Spirit Evergreen Aftermarket Solutions Co., Ltd.	4 F., No. 2, Hangzhan S. Rd., Puxin Vil., Dayuan Dist., Taoyuan City 337041, Taiwan (R.O.C.)	Maintenance of aircraft components.	111,552	111,552	11,155	49.00 %	143,714	29,739	14,572	Note 1
"	Ever Superior Technologies Corporation	2F, No. 528, Sec. 1, Chenggong Rd., Guanyin Dist., Taoyuan City 328453, Taiwan (R.O.C.)	Chemical surface treatment of metal products.	63,000	63,000	6,300	35.00 %	6,570	(14,285)	(5,000)	Note 1

Note 1: Investee company accounted for under the equity method.

(c) Information on investment in mainland China: None.

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EVERGREEN AVIATION TECHNOLOGIES CORPORATION

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(14) Segment information

There were no significant changes in the Company's division, as well as the profit and loss measurement basis, as disclosed in the note 14 in the financial statements for the year ended December 31, 2024.

The Company's operating segment information and reconciliation are as follows:

	For the three months ended June 30, 2025			
	Maintenance segment	Manufacturing segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 3,621,692	1,047,809	-	4,669,501
Intersegment revenue	1,886	5,832	(7,718)	-
Total revenue	<u>\$ 3,623,578</u>	<u>1,053,641</u>	<u>(7,718)</u>	<u>4,669,501</u>
Reportable segment profit or loss	<u>\$ 592,982</u>	<u>(256,979)</u>	<u>-</u>	<u>336,003</u>

Total reportable segment revenue for the three months ended June 30, 2025, was deducted the intersegment revenue by \$7,718 thousand.

	For the three months ended June 30, 2024			
	Maintenance segment	Manufacturing segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 3,208,362	775,278	-	3,983,640
Intersegment revenue	2,403	588	(2,991)	-
Total revenue	<u>\$ 3,210,765</u>	<u>775,866</u>	<u>(2,991)</u>	<u>3,983,640</u>
Reportable segment profit or loss	<u>\$ 653,379</u>	<u>(24,555)</u>	<u>-</u>	<u>628,824</u>

Total reportable segment revenue for the three months ended June 30, 2024, was deducted the intersegment revenue by \$2,991 thousand.

	For the six months ended June 30, 2025			
	Maintenance segment	Manufacturing segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 6,991,477	1,867,676	-	8,859,153
Intersegment revenue	3,892	6,996	(10,888)	-
Total revenue	<u>\$ 6,995,369</u>	<u>1,874,672</u>	<u>(10,888)</u>	<u>8,859,153</u>
Reportable segment profit or loss	<u>\$ 1,323,849</u>	<u>(290,568)</u>	<u>-</u>	<u>1,033,281</u>

Total reportable segment revenue for the six months ended June 30, 2025, was deducted the intersegment revenue by \$10,888 thousand.

	For the six months ended June 30, 2024			
	Maintenance segment	Manufacturing segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 6,082,580	1,599,344	-	7,681,924
Intersegment revenue	5,197	1,240	(6,437)	-
Total revenue	<u>\$ 6,087,777</u>	<u>1,600,584</u>	<u>(6,437)</u>	<u>7,681,924</u>
Reportable segment profit or loss	<u>\$ 1,257,339</u>	<u>7,635</u>	<u>-</u>	<u>1,264,974</u>

Total reportable segment revenue for the six months ended June 30, 2024, was deducted the intersegment revenue by \$6,437 thousand.