



Stock Code: 6771

Ping Ho Environmental Technology Co., Ltd.

# 2026 Annual General Shareholders' Meeting

## Meeting Handbook

Date: May 27, 2026

Location: No.6, Bengong S. 1st Rd., Gangshan Dist., Kaohsiung City

(Second-floor conference room)

Type of Meeting: Physical Shareholders' Meeting

# **DISCLAIMER**

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2026 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF Ping Ho Environmental Technology Co., Ltd. (THE"COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Ping Ho Environmental Technology Co., Ltd.  
2026 Annual General Shareholders' Meeting

**Meeting Procedure**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Extemporaneous Motions
6. Meeting Adjournment

# Ping Ho Environmental Technology Co., Ltd.

## 2026 Annual General Shareholders' Meeting

### Meeting Agenda

Time: 9:00 a.m. on Wednesday, May 27, 2026

Location: No.6, Bengong S. 1st Rd., Gangshan Dist., Kaohsiung City (Second-floor conference room)

Type of Meeting: Physical Shareholders' Meeting

1. Call the Meeting to Order: (Announce the number of shares in attendance)
2. Chairman's Address
3. Report Items
  - (1) Report on the business of 2025.
  - (2) Report by Audit Committee on review of the 2025 Audited Financial Statements.
  - (3) Report on the 2025 distribution of employees' and directors' compensation.
  - (4) Report on the 2025 earnings distribution of cash dividend.
  - (5) Report on the Revision of the Procedures for Ethical Management and Guidelines for Conduct.
  - (6) Report on Related Party Transactions for 2025.
4. Ratification Items
  - (1) Ratification of the 2025 Business Report and Financial Statements.
  - (2) Ratification of the 2025 earnings distribution plan.
5. Extemporaneous Motions
6. Meeting Adjournment

## Report Items

Item 1: Report on the business of 2025.

Description:

The 2025 Business Report, please refer to Attachment 1( pages 5 to 7).

Item 2: Report by Audit Committee on review of the 2025 Audited Financial Statements.

Description:

The Audit Committee's Review Report, please refer to Attachment 2( page 8 ).

Item 3: Report on the 2025 distribution of employees' and directors' compensation.

Description:

- (1) The Board of Directors approved the 2025 employees' and directors' compensation on March 06, 2026.
- (2) The Company itself reported a pre-tax net profit of NT\$151,106,649 for 2025, before deducting employee and director remuneration. It is proposed to allocate 7% as employee remuneration, amounting to NT\$10,574,554 (of which 70% will be distributed to grassroots employees, totaling NT\$7,402,188) and 1% as director remuneration, amounting to NT\$1,510,651. Both will be distributed in cash.

Item 4: Report on the 2025 earnings distribution of cash dividend.

Description:

- (1) In accordance with Article 24 of the Articles of Incorporation, the Board of Directors is authorized to make a resolution and report to the shareholders' meeting when distributing dividends and bonuses in cash.
- (2) The Board of Directors approved a cash dividend distribution of NT\$ 99,774,400 (NT\$ 3.2 per share) on March 06, 2026. The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of "other non-operating revenue"
- (3) Regarding the 2025 cash dividend distribution: the ex-dividend record date is set for July 3, 2026, and the payment date is July 20, 2026.

Item 5: Report on the Revision of the Procedures for Ethical Management and Guidelines for Conduct.

Description:

In order to conform to align with business practices, the Board of Directors resolved on December 23, 2025, to approve amendments to certain provisions of the Procedures for Ethical Management and Guidelines for Conduct. The

Comparison Table of Revised Procedures for Ethical Management and Guidelines for Conduct, please refer to Attachment 3( page 9 to 10).

Item 6: Report on Related Party Transactions for 2025.

Description:

In accordance with Article 8-2 of the Procedures for Transactions with Related Parties, Specified Companies, and Group Enterprises, the status of related party transactions for 2025 shall be reported to the Annual General Meeting, please refer to Attachment 4( page 11).

## **Ratification Items**

Proposal 1: Ratification of the 2025 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Description:

1. The company's 2025 Business Report and Financial Statements (including Consolidated Financial Statements and Individual Financial Statements) have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The Financial Statements have been audited by Kuo-Sen Hung and Cheng-Chu Chen from Ernst & Young Taiwan.
3. The 2025 Business Report, Independent Auditors' Report, and Financial Statements for 2025, please refer to Attachment 1( pages 5 to 7) and Attachment 5(pages 12 to 27).

Resolution:

Proposal 2: Ratification of the 2025 earnings distribution plan.

(Proposed by the Board of Directors)

Description:

The 2025 earnings distribution plan of the company has been reviewed by the Audit Committee and approved by the Board of Directors in 2025. The 2025 Earnings Distribution Table, please refer to Attachment 6 (page 28).

Resolution:

## **Extemporary Motions**

## **Meeting Adjournment**

## **Ping Ho Environmental Technology Co., Ltd.**

### **2025 Business Report**

In 2025, although the reciprocal tariff policy of the United States and significant exchange rate fluctuations did not directly impact The Company itself, they gradually deepened the impact on traditional industry export market customers in the second half of the year. Consequently, The Company's contracted wastewater treatment volumes were also affected, leading to a slight decline in wastewater treatment volumes and revenue for 2025, resulting in a minor decrease in profit compared to 2024.

Looking towards 2026, trade protectionism, climate change, and geopolitical tensions remain major global risks. However, the innovative momentum brought by emerging technology applications and the growth potential in the net-zero transition and circular economy opportunities make economic growth prospects for the year still promising. For The Company itself, changes in end-user demand may affect production, subsequently impacting the Company's water intake. The Company will continue to closely monitor customer conditions and adjust strategies accordingly.

In recent years, with the rapid increase in various types of waste in Taiwan, the development of a circular economy has emerged as a significant issue that Taiwan needs to address. In addition to furthering the advancement of wastewater treatment technology, the company plans to actively expand into other project areas and explore the potential of commercializing various aspects of the circular economy.

Finally, we sincerely thank all shareholders and partners for their continued support and encouragement. Moving forward, the company will tackle upcoming challenges with a more proactive and rigorous attitude to meet the expectations of our shareholders.

#### **I. 2025 Business Report**

##### **A. The implementation results of the business plan:**

The consolidated operating revenue of the company was 618,026 thousand dollars, with a consolidated operating net profit of 157,883 thousand dollars in 2025. The net profit after tax attributable to the company was 113,344 thousand dollars, resulting in an EPS of \$3.64.

##### **B. Budget Execution Status:**

Our company did not publish financial forecasts for 2025, hence the application of budget attainment is not applicable.

C. Financial Stability and Profitability Analysis:

(In thousands of New Taiwan dollars)

Item		2024	2025	
Financial Revenue	Operating Revenue	635,001	618,026	
	Gross Profit	292,983	290,041	
	Net Operating Revenue	162,416	157,883	
Profitability	Return on Assets (%)	9%	9%	
	Return on Equity (%)	15%	13%	
	Capitalization Ratio (%)	Operating Profit	52%	51%
		Pre-Tax Income	48%	46%
	Net Profit Margin (%)	19%	18%	
Earnings Per Share (dollar)		3.89	3.64	

D. Status of Research and Development:

Using SBR to remove organic pollutants in wastewater: Cultivating suitable microorganisms to decompose the residual organics in wastewater after chemical coagulation, then inputting them into SBR for testing. This allows for the acquisition of parameters and processes for SBR input during whole plant operation, thereby improving wastewater treatment efficiency and reducing operating costs.

II. Outline of Business Plan for the Year 2026

A. Operational Strategy:

The escalating environmental crises globally and in Taiwan are increasingly impacting our daily lives. As a result, there has been a gradual shift away from the traditional notion of businesses solely prioritizing profit. The extent of the company's commitment and involvement in Environmental, Social, and Governance (ESG) initiatives, along with other corporate social responsibilities, serves as a reflection of its operational values to some degree. The company not only continues to develop in the environmental protection industry but also devotes itself to integrating upstream and downstream industries and arranging resource recycling to implement the company's development policy of "Integrity, Pragmatism, Sustainability." In addition to prioritizing environmental protection, the company will proactively strengthen corporate governance and fulfill corporate social responsibility to create higher shareholder value.

B. Business Policy and Management:

1. Continuously monitor the quality of customer water and rigorously implement process controls to ensure compliance with regulatory standards for discharged water.
2. Visit clients periodically to understand their needs, enabling us to stay

informed about industry changes and take responsive measures.

3. Enhance technological development and application to expand the scope and range of customer industries.

C. Status of Sales Forecast Plan:

The company's sales are primarily influenced by broader economic conditions, environmental protection regulations, and shifts in customer industries. Our customers are primarily engaged in export industries. Over the recent years, the company has proactively diversified into various industry sectors, including metal surface treatment, chemicals, textiles, electronics, biotechnology, and healthcare. We will actively pursue new projects to sustain growth momentum in our operations.

D. The future of corporate development strategy is affected by external competitive environment, regulatory environment, and overall operating environment:

1. The Future of Corporate Development Strategy:

- (a) Promote resource reuse to establish mutually beneficial partnerships with customers, emphasizing environmental sustainability.
- (b) Stay updated on environmental regulations and industry trends while deeply engaging in technical applications and developments to gain a competitive edge in the market.
- (c) Actively assess the feasibility of industry integration and investment to create future growth momentum for the group.

2. Impacted by the external competitive environment, regulatory framework, and overall business climate:

The operational status of the company is significantly influenced by the economic cycles of our customers' industries. Hence, we have progressively broadened our clientele to encompass diverse industries, mitigating the influence of any one sector on our operational stability.

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and proposal for distribution of earnings. Among these, the Financial Statements have been audited by Ernst & Young Taiwan, and has issued an audit report. The above Business Report, Financial Statements, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Ping Ho Environmental Technology Co., Ltd.

Chairman of the Audit Committee: Tao-Min Chen

March 06, 2026

**Ping Ho Environmental Technology Co., Ltd.**  
**Comparison Table of Revised Procedures for Ethical  
Management and Guidelines for Conduct**

Text Before Amendment	Text After Amendment	Contents
<p>Article 5</p> <p>The Company itself designates the <u>audit office</u> as the dedicated unit (hereinafter referred to as the Company's dedicated unit), which is subordinate to the Board of Directors. It is provided with sufficient resources and competent personnel to handle the revision, execution, interpretation, consultation services, and registration of reporting content related to this operational procedure and code of conduct, as well as supervision and execution. Its main responsibilities include the following tasks, and it should report to the Board of Directors regularly:</p> <p>(Not listed)</p>	<p>Article 5</p> <p>The Company itself designates the <u>Sustainable Development Committee</u> as the dedicated unit (hereinafter referred to as the Company's dedicated unit), which is subordinate to the Board of Directors. It is provided with sufficient resources and competent personnel to handle the revision, execution, interpretation, consultation services, and registration of reporting content related to this operational procedure and code of conduct, as well as supervision and execution. Its main responsibilities include the following tasks, and it should report to the Board of Directors regularly:</p> <p>(Not listed)</p>	<p>Amendments to meet the company's operational needs.</p>
<p>Article 24</p> <p>This operational procedure and code of conduct shall be implemented after being approved by <u>the Audit Committee and</u> the Board of Directors <u>and will be reported to the shareholders' meeting</u>; any revisions shall follow the same procedure.</p> <p>When submitting this operational procedure and code of conduct for discussion by the Board of Directors, the opinions of all independent directors shall be fully considered.</p>	<p>Article 24</p> <p>This operational procedure and code of conduct shall be implemented after being approved by the Board of Directors; any revisions shall follow the same procedure.</p> <p>When submitting this operational procedure and code of conduct for discussion by the Board of Directors, the opinions of all independent directors shall be fully considered. Any opposition or reservations should be clearly recorded in the</p>	<p>Amendments to meet the company's operational needs.</p>

Text Before Amendment	Text After Amendment	Contents
<p>Any opposition or reservations should be clearly recorded in the minutes of the Board meeting. If an independent director is unable to attend the Board meeting to express their opposition or reservations in person, except for legitimate reasons, they should provide a written opinion in advance, which should also be recorded in the minutes of the Board meeting.</p>	<p>minutes of the Board meeting. If an independent director is unable to attend the Board meeting to express their opposition or reservations in person, except for legitimate reasons, they should provide a written opinion in advance, which should also be recorded in the minutes of the Board meeting.</p>	
<p>Article 25 The procedure and code of conduct were established on March 20, 2020. The 1st amendment was made on June 29, 2022.</p>	<p>Article 25 The procedure and code of conduct were established on March 20, 2020. The 1st amendment was made on June 29, 2022. <u>The 2nd amendment was made on December 23, 2025.</u></p>	<p>Increase the number of amendments and the dates.</p>

## Ping Ho Environmental Technology Co., Ltd.

### 2025 Related Party Transactions

According to the "Related Party and Group Enterprise Transaction Procedures," the 2025 related party transactions to be reported to the general shareholders' meeting are as follows:

Approval date by the Board of Directors	March 11, 2025
Name and nature of the assets:	Equity of Ping Ho Materials Technology Co., Ltd.
Name	Ping Ho Materials Technology Co., Ltd.
Actual transaction amount	NT\$420 million
Counterparty	Ping Ho Materials Technology Co., Ltd.
Relationship between the counterparty and the Company itself.	Subsidiary of the Company
Original acquisition date and price, counterparty, and its relationship with the Company itself and related parties.	Cash capital increase Not applicable.
Purpose, necessity, reasonableness, and expected benefits of the acquisition or disposal of assets.	Considering the integration of group resources, with the Company itself raised NT\$350 million through secured convertible corporate bonds and a cash and cash equivalent balance of approximately NT\$185 million by the end of February 2025, the feasibility of the funding source is deemed reliable. This equity transaction is expected to save the group approximately NT\$9 million in cash flows from interest expenses annually. The aforementioned financial plan has no impact on the Company's future operational needs, and the necessity of the transaction and fund utilization is deemed reasonable.
Reason for selecting related party as transaction counterparty	Cash capital increase
Valuation report/CPA's opinion	Subscription at par value Not applicable.
Transaction restrictions and other important agreements.	None

# 2025 Independent Auditors' Report and Financial Statements

## Independent Auditors' Report

To the Board of Directors and Stockholders of Ping Ho Environmental Technology Co., Ltd.

### Opinion

We have audited the accompanying consolidated balance sheets of Ping Ho Environmental Technology Co., Ltd. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and noted to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Statements by Certified Public Accountants and Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 2025 of Ping Ho Environmental Technology Co., Ltd. and its subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

#### Recognition of revenue

The main operating revenue of the Group comes from the Wastewater Treatment. Since there are numerous entrusted wastewater treatment customers, the existence and completeness of the transactions with the customers affect the amount and timing of revenue recognition. Therefore, we identified the recognition of revenues as a key audit matter.

Our audit procedures include (but not limited to) understanding and evaluating the appropriateness of the primary internal control design related to revenue recognition and testing its effectiveness; confirming the validity of the emission qualifications approved by environmental authorities, confirming that it's a polluting factory within the zone and obtaining a triple receipt from the Environmental Protection Agency, verifying the accuracy of the report information used by management to calculate revenues, including spot-checking the billing items and handling volumes in the report to the contract content and related weigh note, as well as checking the accuracy and reasonableness of its calculations. Also, according to the terms set by the contract, as well as whether the processing volume stated in the documents reported to the external environmental agencies is consistent with the company's records, to confirm the appropriate recognition of revenue. In addition, we also considered the appropriateness of the disclosures about operating revenue in Note 4 and Note 6 of the financial statements.

### **The responsibility of the management and governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission; and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' responsibility for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misrepresentation can arise from fraud or error. If, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls related to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of the accounting policies used and the reasonableness of their accounting estimates and relevant disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters of Ping Ho Environmental Technology Co., Ltd. and its subsidiary that were of most significance in the audit of the consolidated financial statements for the year 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communicate.

## Others

Ping Ho Environmental Technology Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2025 and 2024, and the unmodified auditors' reports have been issued for reference.

Ernst & Young Global Limited

The competent authorities approved the financial report of the public offering company

Auditing and	Financial-Supervisory-
Certification No.:	Securities No. 1100352201
	Financial-Supervisory-
	Securities No.0970038990

Kuo-Sen Hung

Auditor:

Chen Cheng-Chu

March 6, 2026

### Notice to Readers

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD AND SUBSIDIARIES  
Consolidated Balance Sheets  
December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Assets		December 31, 2025		December 31, 2024		Liabilities and equity		December 31, 2025		December 31, 2024			
Code	Account Item	Notes	Amount	%	Amount	%	Code	Account Item	Notes	Amount	%	Amount	%
	<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>					
1100	Cash and cash equivalents	(Note 4)/ (Note 6).1	\$298,562	21	\$207,151	15	2100	Short-term loans	(Note 6).10	\$10,000	1	\$88,000	7
1110	Financial assets at fair value through profit or loss - current	(Note 4)/ (Note 6).2	38,643	3	42,471	3	2120	Financial liabilities at FVTPL - current	(Note 4)/ (Note 6).11	2,415	0	-	-
1136	Current financial assets at amortized cost	(Note 4)/ (Note 6).3	8,000	1	25,000	2	2150	Notes payable		20,065	1	22,728	2
1150	Bills receivable, net	(Note 4)/ (Note 6).4	26,504	2	28,284	2	2170	Accounts payable		8,611	1	9,928	0
1170	Accounts receivable, net	(Note 4)/ (Note 6).5	77,963	5	94,619	7	2200	Other payables		74,504	6	79,091	6
1180	Accounts receivable - related parties	(Note 4)/ (Note 6).5/ (Note 7)	287	0	3,313	0	2220	Other payables - related parties	(Note 7)	1,723	0	2,051	0
1200	Other receivables	(Note 4)	21,722	2	6,110	1	2230	Current income tax liabilities	(Note 4)	18,424	1	22,202	2
1210	Other receivables - related parties	(Note 4)/ (Note 7)	84	0	345	0	2280	Lease liabilities - current	(Note 4)/ (Note 6).19	285	0	-	-
1220	Current tax assets	(Note 4)/ (Note 6).22	50	0	6	0	2322	Long-term borrowings due within one year or one operating cycle	(Note 6).13	6,000	0	45,209	3
130x	<b>INVENTORIES</b>	(Note 4)/ (Note 6).6	3,528	0	3,127	0	2399	Other current liabilities		99	0	64	0
1410	Prepayments	(Note 7)	11,335	1	25,538	2	21xx	<b>Total current liabilities</b>		<u>142,126</u>	<u>10</u>	<u>269,273</u>	<u>20</u>
1470	Other current assets		6	0	-	-		<b>NONCURRENT LIABILITIES</b>					
1482	Contract Fulfillment Costs-Current	(Note 6).17(2)	1,225	0	1,426	0	2530	Bonds payable	(Note 6).12	330,797	24	-	-
11xx	<b>Total current assets</b>		<u>487,909</u>	<u>35</u>	<u>437,390</u>	<u>32</u>	2540	Long-term borrowings	(Note 6).13	22,167	2	209,668	16
	<b>NONCURRENT ASSETS</b>						2580	Lease liabilities - noncurrent	(Note 4)/ (Note 6).19	896	0	-	-
1550	Investments accounted for using equity method	(Note 4)/ (Note 6).7	2,083	0	-	-	2670	Other noncurrent liabilities - Others	(Note 7)	240	0	-	-
1600	<b>PROPERTY, PLANT AND EQUIPMENT</b>	(Note 4)/ (Note 6).8/ (Note 7)/ (Note 8)	826,894	60	845,468	63	25xx	<b>Total noncurrent liabilities</b>		<u>354,100</u>	<u>26</u>	<u>209,668</u>	<u>16</u>
1775	Right-of-use assets	(Note 4)/ (Note 6).19	1,169	0	-	-	2xxx	<b>Total liabilities</b>		<u>496,226</u>	<u>36</u>	<u>478,941</u>	<u>36</u>
1840	Deferred tax assets	(Note 4)/ (Note 6).22	37,298	3	31,203	2		Equity attributable to shareholders of the parent	(Note 6).15				
1990	Other noncurrent assets	(Note 6).9	33,047	2	34,658	3	3100	Share capital					
15xx	<b>Total noncurrent assets</b>		<u>900,491</u>	<u>65</u>	<u>911,329</u>	<u>68</u>	3110	Capital stock		311,795	22	311,795	23
							3200	Capital surplus		280,156	20	261,215	19
							3300	Retained earnings					
							3310	Legal reserve		109,373	8	97,596	7
							3350	Unappropriated retained earnings		181,538	13	190,836	14
								<b>Total</b>		<u>290,911</u>	<u>21</u>	<u>288,432</u>	<u>21</u>
							31xx	<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>		<u>882,862</u>	<u>63</u>	<u>861,442</u>	<u>63</u>
							36xx	Non-controlling interest	(Note 4)/ (Note 6).15	9,312	1	8,336	1
							3xxx	<b>Total equity</b>		<u>892,174</u>	<u>64</u>	<u>869,778</u>	<u>64</u>
1xxx	<b>Total assets</b>		<u>\$1,388,400</u>	<u>100</u>	<u>\$1,348,719</u>	<u>100</u>		<b>Total liabilities and equity</b>		<u>\$1,388,400</u>	<u>100</u>	<u>\$1,348,719</u>	<u>100</u>

(Refer to NOTES TO CONSOLIDATED FINANCIAL STATEMENTS)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD AND SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Revenue	(Note 4)/ (Note 6).17/ (Note 7)	\$618,026	100	\$635,001	100
5000	COST OF REVENUE	(Note 6).6, 20/ (Note 7)	(327,985)	(53)	(342,018)	(54)
5900	GROSS PROFIT		<u>290,041</u>	<u>47</u>	<u>292,983</u>	<u>46</u>
6000	Operating expenses	(Note 6).18, 19, 20/ (Note 7)				
6200	Administrative expenses		(115,991)	(19)	(115,865)	(18)
6300	Research and development		(16,167)	(3)	(14,702)	(2)
	Total operating expenses		<u>(132,158)</u>	<u>(22)</u>	<u>(130,567)</u>	<u>(20)</u>
6900	OPERATING INCOME		<u>157,883</u>	<u>25</u>	<u>162,416</u>	<u>26</u>
7000	NON-OPERATING INCOME AND EXPENSES	(Note 6).21/ (Note 7)				
7100	Interest revenue		3,558	1	2,118	0
7010	Other income		1,613	0	914	0
7020	Other gains and losses		(8,144)	(1)	(7,027)	(1)
7050	FINANCE COSTS		(9,959)	(2)	(9,348)	(1)
7060	Share of profits of associates and joint ventures accounted for using the equity method	(Note 4)/ (Note 6).7	(117)	(0)	-	-
	Total NON-OPERATING INCOME AND EXPENSES		<u>(13,049)</u>	<u>(2)</u>	<u>(13,343)</u>	<u>(2)</u>
7900	Income before income tax		<u>144,834</u>	<u>23</u>	<u>149,073</u>	<u>24</u>
7950	Income tax expenses	(Note 4)/ (Note 6).22	(32,251)	(5)	(32,532)	(5)
8200	Net income after tax		<u>112,583</u>	<u>18</u>	<u>116,541</u>	<u>19</u>
8500	Total comprehensive income (loss)		<u>\$112,583</u>	<u>18</u>	<u>\$116,541</u>	<u>19</u>
8600	NET INCOME ATTRIBUTABLE TO:					
8610	Owners of the parent company		\$113,344	18	\$118,280	19
8620	Non-controlling interest		(761)	(0)	(1,739)	(0)
			<u>\$112,583</u>	<u>18</u>	<u>\$116,541</u>	<u>19</u>
8700	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
8710	Owners of the parent company		\$113,344	18	\$118,280	19
8720	Non-controlling interest		(761)	(0)	(1,739)	(0)
			<u>\$112,583</u>	<u>18</u>	<u>\$116,541</u>	<u>19</u>
	Earnings per share (NTD)	(Note 4)/ (Note 6).23				
9750	Basic Earnings Per Share		<u>\$3.64</u>		<u>\$3.89</u>	
9850	Diluted earnings per share		<u>\$3.30</u>		<u>\$3.86</u>	

(Refer to NOTES TO CONSOLIDATED FINANCIAL STATEMENTS)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD AND SUBSIDIARIES  
Consolidated Statements of Changes in Equity  
From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	Equity attributable to shareholders of the parent				Total	Non-controlling interest	Total equity
		Capital stock	Capital surplus	Retained earnings				
				Legal reserve	Unappropriated retained earnings			
		3110	3200	3310	3350	31XX	36XX	3XXX
A1	Balance on January 1, 2024	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895	\$10,084	\$735,979
	Appropriation of Earnings Proposal for the year ended December 2023							
B1	Provision for legal reserve	-	-	13,885	(13,885)	-	-	-
B5	Common stock cash dividends	-	-	-	(116,718)	(116,718)	-	(116,718)
D1	Net income (loss) for 2024	-	-	-	118,280	118,280	(1,739)	116,541
D3	OTHER COMPREHENSIVE INCOME (LOSS) for the year ended December 2024	-	-	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	118,280	118,280	(1,739)	116,541
E1	Cash capital increase	20,000	109,781			129,781	-	129,781
M5	From the difference between the actual acquisition or disposal of the subsidiary's equity price and the carrying amount.	-	(12)	-	-	(12)	(518)	(530)
M7	Changes in ownership interests in subsidiaries	-	-	-	(509)	(509)	-	(509)
N1	Share-based payment transaction	-	4,725	-	-	4,725	-	4,725
O1	Changes in non-controlling interests	-	-	-	-	-	509	509
Z1	Balance at December 31, 2024	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442	\$8,336	\$869,778
A1	Balance on January 1, 2025	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442	\$8,336	\$869,778
	Appropriation of Earnings Proposal for the year ended December 2024							
B1	Provision for legal reserve	-	-	11,777	(11,777)	-	-	-
B5	Common stock cash dividends	-	-	-	(109,128)	(109,128)	-	(109,128)
C5	Resulting from the recognition of equity components in items due to the issuance of convertible bonds - stock warrants generated	-	18,941	-	-	18,941	-	18,941
D1	Net income (loss) for the year ended December 2025	-	-	-	113,344	113,344	(761)	112,583
D3	OTHER COMPREHENSIVE INCOME (LOSS) for the year ended December 2025	-	-	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	113,344	113,344	(761)	112,583
M7	Changes in ownership interests in subsidiaries	-	-	-	(1,737)	(1,737)	-	(1,737)
O1	Changes in non-controlling interests	-	-	-	-	-	1,737	1,737
Z1	Balance at December 31, 2025	\$311,795	\$280,156	\$109,373	\$181,538	\$882,862	\$9,312	\$892,174

(Refer to NOTES TO CONSOLIDATED FINANCIAL STATEMENTS)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD AND SUBSIDIARIES  
Consolidated Statements of Cash Flows  
From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Profit before tax for the period	\$144,834	\$149,073	B00040	Acquisitions of financial assets at amortized cost	(48,000)	(125,000)
A20000	Adjustments for:			B00060	Financial assets at amortized costs maturity repayment	65,000	160,000
A20010	Revenue and expense items			B00100	Acquisitions of Financial instruments at fair value through profit or loss	-	(49,496)
A20100	Depreciation expense	46,825	48,600	B01800	Acquisitions of investments accounted for using equity method	(2,200)	-
A20400	Net loss from FINANCIAL ASSETS AND LIABILITIES AT FVTPL	4,563	7,025	B02700	Acquisitions of property, plant and equipment	(19,942)	(9,089)
A20900	Interest expenses	9,959	9,348	B02800	Disposal of property, plant and equipment	816	240
A21200	Interest revenue	(3,558)	(2,118)	B06700	Additions to other noncurrent assets	(8,105)	(17,045)
A21300	Dividend income	(525)	(153)	B07600	Dividends received	525	153
A21900	Share-based compensation cost	-	4,725	BBBB	Net cash used in investing activities	(11,906)	(40,237)
A22300	Share of losses of associates and joint ventures accounted for using the equity method	117	-				
A22500	Gain (loss) on disposal or retirement of property, plant and equipment	(617)	(7)				
A29900	Others	70	(462)	CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
A30000	Changes in operating assets and liabilities:			C00100	Increase in short-term loans	120,000	111,000
A31130	Bills receivable, additions (deductions)	1,780	(767)	C00200	Decrease in short-term loans	(198,000)	(133,000)
A31150	Accounts receivable, additions (deductions)	16,656	(8,486)	C01200	Proceeds from issuance of bonds	351,750	-
A31160	Accounts receivable - related parties, additions (deductions)	3,026	(2,098)	C01600	Proceeds from long-term bank loans	61,000	15,000
A31180	Other receivables, additions	(15,612)	(1,926)	C01700	Repayment of long-term borrowings	(287,710)	(73,644)
A31190	Other receivables - related parties, additions (deductions)	261	(261)	C04020	Repayment of the principal portion of lease liabilities	(280)	-
A31200	INVENTORIES, Additions (deductions)	(471)	184	C04300	Additions to other noncurrent liabilities	240	-
A31230	Prepayments, additions (deductions)	15,703	(2,597)	C04500	Distribution of cash dividends	(109,128)	(116,718)
A31240	Additions to other current assets	(6)	-	C04600	Cash capital increase	-	129,781
A31280	Contract Fulfillment Costs, additions (deductions)	201	(1,426)	C05400	Acquisitions of subsidiary equity	-	(530)
A32130	Notes payable, (deductions) additions	(2,663)	1,635	C05600	Interest paid	(4,857)	(9,464)
A32150	Accounts payable, (deductions) additions	(1,317)	645	CCCC	Net cash used in financing activities	(66,985)	(77,575)
A32180	Other payables, (deductions) additions	(10,021)	2,279				
A32190	Other payables - related parties, (deductions)	(328)	(968)				
A32230	Additions (deductions) to other current liabilities	35	(1,002)				
A33000	Inflows of cash generated from operations	208,912	201,243				
A33100	Interest received	3,558	2,156	EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	91,411	50,263
A33500	Income tax paid	(42,168)	(35,324)	E00100	Cash and cash equivalents at beginning of the period	207,151	156,888
AAAA	Net cash generated by operating activities	170,302	168,075	E00200	Cash and cash equivalents at the end of the period	\$298,562	\$207,151

(Refer to NOTES TO CONSOLIDATED FINANCIAL STATEMENTS)

## Independent Auditors' Report

To the Board of Directors and Stockholders of Ping Ho Environmental Technology Co., Ltd.

### **Opinion**

We have audited the accompanying Individual Balance Sheets of Ping Ho Environmental Technology Co., Ltd. as at December 31, 2025 and December 31, 2024, and the related Individual Statements of Comprehensive Income, Changes in Equity and Cash Flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of Ping Ho Environmental Technology Co., Ltd. as of December 31, 2025 and December 31, 2024, and its individual financial performance and individual cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Statements by Certified Public Accountants and Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Ping Ho Environmental Technology Co., Ltd. for the year 2025. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

#### Recognition of revenue

The main operating revenue of Ping Ho Environmental Technology Co., Ltd. comes from the Wastewater Treatment. Since there are numerous entrusted wastewater treatment customers, the existence and completeness of the transactions with the customers affect the amount and timing of revenue recognition. Therefore, we identified the recognition of revenues as a key audit matter.

Our audit procedures include (but not limited to) understanding and evaluating the appropriateness of the primary internal control design related to revenue recognition and testing its effectiveness; confirming the validity of the emission qualifications approved by environmental authorities, confirming that it's a polluting factory within the zone and obtaining a triple receipt from the Environmental Protection Agency, verifying the accuracy of the report information used by management to calculate revenues, including spot-checking the billing items and handling volumes in the report to the contract content and related weigh note, as well as checking the accuracy and reasonableness of its calculations. Also, according to the terms set by the contract, as well as whether the processing volume stated in the documents reported to the external environmental agencies is consistent with the company's records, to confirm the appropriate recognition of revenue. In addition, we also considered the appropriateness of the disclosures about operating revenue in Note 4 and Note 6 of the financial statements.

### **The responsibility of the management and governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining necessary internal control related to the preparation of the Parent Company Only Financial Statements to ensure they are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is also responsible for assessing the ability of Ping Ho Environmental Technology Co., Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Ping Ho Environmental Technology Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' responsibility for the audit of the financial statements**

The objective of our audit of the financial statements of the entity is to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists in the individual financial statements. Misrepresentation can arise from fraud or error. If, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these entity financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls related to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ping Ho Environmental Technology Co., Ltd.'s internal controls.
3. Evaluate the appropriateness of the accounting policies used and the reasonableness of their accounting estimates and relevant disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Ping Ho Environmental Technology Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters of Ping Ho Environmental Technology Co., Ltd. that were of most significance in the audit of the individual financial statements for the year 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communicate.

Ernst & Young Global Limited

The competent authorities approved the financial report of the public offering company

Auditing and Certification No.: Jin-Guan-Cheng-Shen-Zi No. 1100352201

Financial-Supervisory-Securities No.0970038990

Kuo-Sen Hung

Auditor:

Chen Zhengchu

March 6, 2026

Notice to Readers

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

Ping Ho Environmental Technology Co., Ltd.  
Individual Balance Sheet  
December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Assets			December 31, 2025		December 31, 2024		Liabilities and equity			December 31, 2025		December 31, 2024	
Code	Account Item	Notes	Amount	%	Amount	%	Code	Account Item	Notes	Amount	%	Amount	%
<b>CURRENT ASSETS</b>													
1100	Cash and cash equivalents	(Note 4)/ (Note 6).1	\$193,275	15	\$144,732	15	2120	Financial liabilities at FVTPL - current	(Note 6).10	\$2,415	0	\$-	-
1110	Financial assets at fair value through profit or loss - current	(Note 4)/ (Note 6).2	38,643	3	42,471	4	2150	Notes payable		4,220	1	4,527	0
1136	Current financial assets at amortized cost	(Note 4)/ (Note 6).3	8,000	1	25,000	3	2180	Accounts payable - related parties	(Note 7)	17,041	1	18,854	2
1150	Bills receivable, net	(Note 4)/ (Note 6).4	19,008	1	20,731	2	2200	Other payables		55,759	4	59,171	6
1170	Accounts receivable, net	(Note 4)/ (Note 6).5	65,117	5	79,788	8	2220	Other payables - related parties	(Note 7)	13,048	1	15,072	2
1180	Accounts receivable - related parties	(Note 4)/ (Note 6).5/ (Note 7)	1,504	0	4,999	1	2230	Current income tax liabilities	(Note 4)/ (Note 6).20	12,754	1	12,854	1
1200	Other receivables	(Note 4)	11	0	11	0	2399	Other current liabilities		72	0	40	0
1210	Other receivables - related parties	(Note 7)	53	0	50,406	5	21xx	Total current liabilities		<u>105,309</u>	<u>8</u>	<u>110,518</u>	<u>11</u>
130x	INVENTORIES	(Note 4)/ (Note 6).6	1,366	0	1,453	0	<b>NONCURRENT LIABILITIES</b>						
1410	Prepayments	(Note 7)	5,901	0	3,359	0	2530	Bonds payable	(Note 6).11	330,797	25	-	-
1470	Other current assets		6	0	-	-	25xx	Total noncurrent liabilities		<u>330,797</u>	<u>25</u>	<u>-</u>	<u>-</u>
11xx	Total current assets		<u>332,884</u>	<u>25</u>	<u>372,950</u>	<u>38</u>	2xxx	Total liabilities		<u>436,106</u>	<u>33</u>	<u>110,518</u>	<u>11</u>
<b>NONCURRENT ASSETS</b>													
1550	Investments accounted for using equity method	(Note 4)/ (Note 6).7	723,237	55	322,519	33	Equity						
1600	PROPERTY, PLANT AND EQUIPMENT	(Note 4)/ (Note 6).8/ (Note 7)	239,525	18	255,984	27	3100	Share capital	(Note 6).13				
1990	Other noncurrent assets	(Note 4)/ (Note 6).9/ (Note 7)	23,322	2	20,507	2	3110	Capital stock		311,795	24	311,795	32
15xx	Total noncurrent assets		<u>986,084</u>	<u>75</u>	<u>599,010</u>	<u>62</u>	3200	Capital surplus		280,156	21	261,215	27
							3300	Retained earnings					
							3310	Legal reserve		109,373	8	97,596	10
							3350	Unappropriated retained earnings		181,538	14	190,836	20
							Total Retained Earnings			<u>290,911</u>	<u>22</u>	<u>288,432</u>	<u>30</u>
							3xxx	Total equity		<u>882,862</u>	<u>67</u>	<u>861,442</u>	<u>89</u>
1xxx	Total assets		<u>\$1,318,968</u>	<u>100</u>	<u>\$971,960</u>	<u>100</u>	Total liabilities and equity			<u>\$1,318,968</u>	<u>100</u>	<u>\$971,960</u>	<u>100</u>

(Please refer to the Notes to the Parent Company Only Financial Statements)

Ping Ho Environmental Technology Co., Ltd.  
Individual Statements of Comprehensive Income  
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Revenue	(Note 4)/(Note 6).15/(Note 7)	\$508,739	100	\$518,393	100
5000	COST OF REVENUE	(Note 6).6, 18/(Note 7)	(322,088)	(63)	(337,546)	(65)
5900	GROSS PROFIT		<u>186,651</u>	<u>37</u>	<u>180,847</u>	<u>35</u>
6000	Operating expenses	(Note 6).18/(Note 7)				
6200	Administrative expenses		(50,712)	(10)	(48,023)	(9)
6300	Research and development		(13,066)	(3)	(11,760)	(3)
	Total operating expenses		<u>(63,778)</u>	<u>(13)</u>	<u>(59,783)</u>	<u>(12)</u>
6900	INCOME FROM OPERATIONS		<u>122,873</u>	<u>24</u>	<u>121,064</u>	<u>23</u>
7000	NON-OPERATING INCOME AND EXPENSES	(Note 6).19/(Note 7)				
7100	Interest revenue		2,994	1	2,277	0
7010	Other income		1,280	0	1,118	0
7020	Other gains and losses		(8,759)	(2)	(7,025)	(1)
7050	FINANCE COSTS		(5,531)	(1)	(21)	(0)
7070	Share of profits of subsidiaries, associates, and joint ventures accounted for using the equity method.	(Note 4)/(Note 6).7	26,164	5	26,063	6
	Total NON-OPERATING INCOME AND EXPENSES		<u>16,148</u>	<u>3</u>	<u>22,412</u>	<u>5</u>
7900	Income before income tax		<u>139,021</u>	<u>27</u>	<u>143,476</u>	<u>28</u>
7950	Income tax expenses	(Note 4)/(Note 6).20	(25,677)	(5)	(25,196)	(5)
8200	Net income after tax		<u>113,344</u>	<u>22</u>	<u>118,280</u>	<u>23</u>
8500	Total comprehensive income (loss)		<u>\$113,344</u>	<u>22</u>	<u>\$118,280</u>	<u>23</u>
	Earnings per share (NTD)	(Note 4)/(Note 6).21				
9750	Basic Earnings Per Share		<u>\$3.64</u>		<u>\$3.89</u>	
9850	Diluted earnings per share		<u>\$3.30</u>		<u>\$3.86</u>	

(Please refer to the Notes to the Parent Company Only Financial Statements)

Ping Ho Environmental Technology Co., Ltd.  
Individual Statements of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	Capital stock 3110	Capital surplus 3200	Retained earnings		Total equity 3XXX
				Legal reserve 3310	Unappropriated retained earnings 3350	
A1	Balance on January 1, 2024	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895
	Appropriation of Earnings Proposal for the year ended December 2023					
B1	Provision for legal reserve	-	-	13,885	(13,885)	-
B5	Common stock cash dividends	-	-	-	(116,718)	(116,718)
D1	Net income after tax for the year ended December 2024	-	-	-	118,280	118,280
D3	Other comprehensive income (loss) for the year ended December 2024	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	118,280	118,280
E1	Cash capital increase	20,000	109,781	-	-	129,781
M5	From the difference between the actual consideration received or acquisitions of or disposal of subsidiaries' equity and the carrying amount	-	(12)	-	-	(12)
M7	Changes in ownership interests in subsidiaries	-	-	-	(509)	(509)
N1	Share-based payment transaction	-	4,725	-	-	4,725
Z1	Balance at December 31, 2024	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442
A1	Balance on January 1, 2025	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442
	Appropriation of Earnings Proposal for the year ended December 2024					
B1	Provision for legal reserve	-	-	11,777	(11,777)	-
B5	Common stock cash dividends	-	-	-	(109,128)	(109,128)
C5	Due to the issuance of convertible bonds, recognized as an EQUITY component item - stock warrants issued.	-	18,941	-	-	18,941
D1	Net income after tax for the year ended December 2025	-	-	-	113,344	113,344
D3	Other comprehensive income (loss) for the year ended December 2025	-	-	-	-	-
D5	Total comprehensive income (loss)	-	-	-	113,344	113,344
M7	Changes in ownership interests in subsidiaries	-	-	-	(1,737)	(1,737)
Z1	Balance at December 31, 2025	\$311,795	\$280,156	\$109,373	\$181,538	\$882,862

(Please refer to the Notes to the Parent Company Only Financial Statements)

Ping Ho Environmental Technology Co., Ltd.  
Individual Cash Flow Statement  
January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES			BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
A10000	Profit before tax for the period	\$139,021	\$143,476	B00040	Acquisitions of financial assets at amortized cost	(48,000)	(125,000)
A20000	Adjustments for:			B00060	Redemption of financial assets at amortized costs upon maturity	65,000	160,000
A20010	Revenue and expense items			B00100	Acquisitions of financial instruments at fair value through profit or loss	-	(49,496)
A20100	Depreciation expense	22,020	23,109	B01800	Acquisitions of investments accounted for using equity method	(422,200)	(50,530)
A20400	Net loss on financial assets and liabilities at FVTPL	4,563	7,025	B02700	Acquisitions of property, plant and equipment	(5,374)	(6,786)
A20900	Interest expenses	5,531	21	B06700	Additions to other noncurrent assets.	(4,502)	(7,659)
A21200	Interest revenue	(2,994)	(2,277)	B07600	Dividends received	46,434	32,219
A21300	Dividend income	(525)	(153)	BBBB	Net cash used in investing activities	(368,642)	(47,252)
A21900	Share-based compensation cost	-	3,323				
A22400	Share of profits (losses) of subsidiaries and associates accounted for using the equity method.	(26,164)	(26,063)				
A29900	Others	(13)	(18)	CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
A30000	Changes in operating assets and liabilities:			C00100	Increase in short-term loans	32,000	9,000
A31130	Bills receivable decreased	1,723	244	C00200	Decrease in short-term loans	(32,000)	(9,000)
A31150	Accounts receivable decreased (increased)	14,671	(7,106)	C01200	Proceeds from issuance of bonds	351,750	-
A31160	Accounts receivable - related parties decreased (increased)	3,495	(1,540)	C01600	Proceeds from long-term bank loans	15,000	-
A31190	Other receivables - related parties decreased (increased)	50,000	(50,000)	C01700	Repayment of long-term borrowings	(15,000)	-
A31200	INVENTORIES decreased (increased)	100	(69)	C04500	Cash dividends to shareholders	(109,128)	(116,718)
A31230	Prepayments (increased)	(1,042)	(314)	C04600	Cash capital increase	-	129,781
A31240	Other current assets (Additions)	(6)	-	C05600	Interest paid	(240)	(21)
A32130	Notes payable (decreased)	(307)	(766)	CCCC	Net cash provided by financing activities	242,382	13,042
A32160	Accounts payable - related parties (decreased) increased	(1,813)	236				
A32180	Other payables (decreased)	(9,035)	(140)				
A32190	Other payables - related parties (decreased) increased	(2,024)	1,796				
A32230	Other current liabilities increased (decreased)	32	(443)				
A33000	Cash inflows generated from operations	197,233	90,341				
A33100	Interest received	3,347	1,962	EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	48,543	30,103
A33500	Income tax paid	(25,777)	(27,990)	E00100	Cash and cash equivalents at beginning of the period	144,732	114,629
AAAA	Net cash generated by operating activities	174,803	64,313	E00200	Cash and cash equivalents at the end of the period	\$193,275	\$144,732

(Please refer to the Notes to the Parent Company Only Financial Statements)

**Ping Ho Environmental Technology Co., Ltd.**  
**2025 Earnings Distribution Table**

Unit: NT\$

Item	Amount	
Undistributed earnings of prior years (After Year 1998)		69,931,375
Deduct: Adjustment for changes in the net equity value of associated companies recognized under the equity method.	(1,737,189)	
Adjusted undistributed earnings of prior years		68,194,186
Add: Net profit after tax for year 2025	113,344,058	
Balance of undistributed earnings		181,538,244
Deduct: Legal reserve	(11,160,687)	
Earnings to be distributed		170,377,557
Deduct: Allocation items		
Dividend to shareholders - Cash Dividend (\$3.2 per share)	(99,774,400)	
Undistributed earnings at the end of the period (After Year 1998)		70,603,157

**Ping Ho Environmental Technology Co., Ltd.**  
**Articles of Incorporation**

**Chapter 1. General Principles**

Article 1. The company named "Ping Ho Environmental Technology Co., Ltd." is organized in accordance with the Company Law.

Article 2. Scope of businesses are outlined below:

1. J101060 Wastewater (Sewage) Treatment
2. C801010 Basic Chemical Industrial
3. C802120 Industrial and Additive Manufacturing
4. CA01110 Smelting and Refining of Copper
5. CB01030 Pollution Controlling Equipment Manufacturing
6. F107080 Wholesale of Environmental Agents
7. F107170 Wholesale of Industrial Catalyst
8. F107200 Wholesale of Chemical Feedstock
9. F107990 Wholesale of Other Chemical Products
10. F199990 Other Wholesale Trade
11. F401010 International Trade
12. F113100 Wholesale of Pollution Controlling Equipment
13. F199010 Wholesale of Recycling Materials
14. J101030 Waste Disposing
15. J101040 Waste Treatment
16. J101080 Resource Recycling
17. J101090 Waste Disposal
18. J101990 Other Environmental Sanitation and Pollution Prevention Service
19. C801990 Other Chemical Materials Manufacturing
20. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

Article 3. Within the boundaries of legal regulations, the company may extend endorsements, guarantees, and loans to others as required for business purposes. These activities adhere to the company's "Operational Procedures for Endorsements and Guarantees" and "Operational Procedures for Loaning of Company Funds".

Article 4. The company's headquarters is located in Kaohsiung City. When deemed necessary, the

Board of Directors has the authority, through resolution, to establish, dissolve, relocate, or otherwise manage branches or subsidiaries both domestically and internationally in compliance with legal regulations.

Article 4.1. The company is permitted to make outbound investments as per business requirements, with the total investment amount not restricted to 40 percent of the paid-in capital.

Article 5. The announcement methods of the company are carried out in accordance with the Company Law and other relevant regulations.

## **Chapter 2. Shares**

Article 6. The total capital of the company is set at NT\$ 700,000,000, divided into 70,000,000 shares with a par value of NT\$ 10 each. The issuance of shares not yet issued is authorized by the Board of Directors in stages.

The aforementioned total capital includes a reserve of NT\$ 70,000,000 for the issuance of employee stock warrants, totaling 7,000,000 shares, each valued at NT\$ 10 per par. The issuance can be done in installments as decided by the Board of Directors.

When issuing new shares, employees eligible to subscribe may include those meeting specific criteria from controlling or subsidiary companies.

The recipients eligible to receive employee stock warrants from the company may include employees of controlling or subsidiary companies who meet specific conditions.

Employees from controlling or subsidiary companies who meet specific conditions may be eligible to receive restricted stock awards from the company.

The treasury shares purchased by the company may be transferred to employees of controlling or subsidiary companies who meet certain conditions.

Article 6.1.

If the company intends to issue employee stock warrants at a subscription price lower than the market price (net value per share), it must first obtain approval at a shareholder meeting where over half of the shareholders representing the total issued shares are present. Furthermore, issuance can only proceed if more than two-thirds of the voting rights of attending shareholders agree.

If the company intends to transfer shares to employees at a price lower than the actual average repurchase price, approval must be obtained from more than two-thirds of the voting rights of the shareholders present at the shareholder meeting. More than half of the total issued shares must be represented prior to the transfer.

Article 7. The shares of the company are generally registered shares, signed or stamped by the

director representing the company, and issued after verification by a bank legally authorized to underwrite share issuances. The shares issued by the company can be exempted from printing and utilize a dematerialized format. However, they must be registered with the Taiwan Depository & Clearing Corporation. The same applies to the issuance of other securities.

Article 7.1 If the company intends to withdraw its public offering of stocks, aside from the approval of the Board of Directors, it must also be attended to by shareholders representing over two-thirds of the total issued shares at the shareholders' meeting. The consent of the majority of the voting rights of the attending shareholders must be obtained before such a withdrawal can take effect. If the total number of shares held by attending shareholders falls short of the specified quota, the action may be permissible with more than two-thirds of the voting rights of the attending shareholders consent, who represent more than half of the total issued shares. And this clause will remain the same during both the emerging and listing period.

Article 8. Changes recorded in the shareholder register are processed in accordance with the provisions of Article 165 of the Company Law. The company's stock affairs are managed in compliance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority and relevant statutory regulations.

### **Chapter 3. Shareholders Meeting**

Article 9. There are two types of shareholders' general meetings, annual and extraordinary. The annual general meeting is convened at least once a year, within six months after the end of each fiscal year, convened by the Board of Directors in accordance with Article 172 of the Company Law, and the extraordinary general meeting is convened, when necessary, in accordance with the law.

The company's shareholders meeting can be conducted via video conferencing or other methods announced by the central competent authority. The conditions, operating procedures, and other related regulations that should be complied with when conducting video conferencing should adhere to the regulations stipulated by the securities supervisory authority, unless otherwise specified.

Article 10. Except as otherwise provided or restricted by laws or Articles of Association, each

shareholder of the company is entitled to have a voting right per share.

Article 11. Should a shareholder be unable to attend the shareholder meeting for any reason, they have the option to issue a power of attorney specifying the scope of authorization, sign or stamp it, and appoint a representative to attend. The procedure for shareholder proxy attendance follows the regulations of the Company Law and complies with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority. The company should include electronic means as one of the channels for exercising voting rights when convening a shareholders' meeting. The method of exercising these rights should be stated in the shareholders' meeting notice. Shareholders who exercise their voting rights through written or electronic are deemed to be present in person. All matters related to their exercise are handled in accordance with legal regulations.

Article 12. The appointment of the Chairman followed by Article 182-1 of the Company Law upon convening the shareholders' meeting. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The preparation and distribution of meeting minutes are conducted in compliance with the regulations outlined in Article 183 of the Company Law.

Article 13. Resolutions at the shareholders' meeting require the presence of shareholders representing over half of the total issued shares and the approval of more than half of the voting rights of the attending shareholders for adoption, unless otherwise stipulated by the Company Law.

#### **Chapter 4. Directors and Audit Committee**

Article 14. The Board of Directors of the company comprises seven to nine members, each with a term of three years. Directors are nominated through a candidate nomination system and elected by the shareholders' meeting from the list of candidates. They are eligible for consecutive re-elections. Among the aforementioned director positions, there must be no fewer than three independent directors, constituting at least one-third of the total director seats. The qualifications, shareholding, limitations on concurrent positions, nomination

and election procedures, and other requirements for independent directors are governed by the relevant regulations of the securities regulatory authority. The company may purchase liability insurance for directors to cover their legal responsibilities within their term of service.

Article 15. The Board of Directors is organized by the directors, elects a chairman with the attendance and consent of more than two-thirds of the directors. All company matters are carried out in compliance with legal regulations, statutes, decisions of the shareholders' meeting, and resolutions of the Board of Directors.

Article 15.1. The convocation of the Board of Directors should state the reasons and notify each director seven days in advance. However, it may be convened at any time in case of any emergency. The notice for the preceding meeting can be provided through written, fax, email, or other methods.

Article 16. When vacancies for directors reach one-third, the Board of Directors shall convene a shareholders' meeting for by-election within the timeframe prescribed in Article 201 of the Company Law. The term of office shall be limited to that of the original duration.

Article 17. Unless otherwise stipulated by Company Law, a majority of directors must be present at Board of Directors meetings, and decisions require the consent of the majority of attending directors. If a director can't attend due to leave or other reasons, they may issue a proxy specifying the authorized scope and appoint another director to attend on their behalf, with each proxy limited to one appointee. Directors participating in the meeting via video conferencing are considered to be present in person when the Board of Directors holds a meeting through this format.

Article 18. In accordance with Article 14-4 of the Securities Exchange Act, the company has established an Audit Committee. This committee is required to comprise solely independent directors, with a minimum of three members. Among them, one serves as the convener, and at least one member must possess expertise in accounting or finance. The Audit Committee or its members are responsible for exercising the duties of supervisors as stipulated in the Company Law, Securities and Exchange Act, and other legal regulations.

Article 19. When the chairman is on leave or unable to fulfill his duties due to certain reasons, his proxy should handle the situation in accordance with Article 208 of the Company Act.

Article 20. The Board of Directors authorizes the remuneration of directors according to their degree of involvement and contribution to the company's operations, with industry standards serving as a reference. The remuneration for independent directors of the company is determined by the Board of Directors, taking into account industry standards, but they are not involved in the allocation of directors' remuneration.

### **Chapter 5. Manager**

Article 21. The company is permitted to appoint several managers, and their appointment, dismissal, and remuneration shall be conducted in accordance with the regulations stipulated in Article 29 of the Company Law.

### **Chapter 6. Accounting**

Article 22. The company is required to prepare and submit the following registers to the annual shareholders' general meeting for approval at the end of each fiscal year, as drawn up by the Board of Directors:

1. Business Report.
2. Financial Statements.
3. Proposal for distribution of profits or cover accumulated deficits.

Article 23. If the company generates profits during the fiscal year, it should allocate no less than 1% of the pre-tax profit, after deducting employee bonuses and director compensation, as employee bonuses, and not more than 3% as director compensation. However, if the company still has accumulated losses, a reserve should be set aside in advance to cover accumulated deficits. The decision on the distribution ratio of employee bonuses and director compensation, as well as whether employee bonuses should be in the form of stocks or cash, and made by the Board of Directors. This decision requires the presence and resolution of more than two-thirds of the directors and more than half of the directors present, it should be reported at the shareholders' meeting. The recipients eligible to receive employee bonuses in the form of stock or cash may include employees of controlled or subsidiary companies. At least one-third of the employee bonuses amount shall be allocated for the distribution of remuneration to grassroots employees."

Article 24. If the company generates a profit in its annual final settlement, the initial step is to earmark funds for tax payments, to offset any accumulated deficits, and to estimate the

reserves for employee and directors' remuneration as stipulated in the previous article. Next, it should set aside 10% as a statutory surplus reserve. However, if the statutory surplus already equals the amount of The Company's paid-in capital, this requirement does not apply. Any remaining funds should then be allocated or reversed to special surplus reserves in accordance with laws and regulations. If there is still a balance remaining, along with the accumulated undistributed profits, it constitutes the distributable profit for the year. As the Board of Directors proposes a profit distribution plan involving the issuance of new shares, it should be distributed only after approval by a shareholder meeting. If the distribution is to be made in cash, the resolution can be made by the board of directors. The allocation of the aforementioned special reserves, which includes the net amount of decreases in other equity and the net increase in the fair value of investment properties accumulated in previous periods of the Company, should be deducted from the undistributed profits of previous periods by the same amount. If insufficient, it should then be deducted from the current undistributed profits, after including items beyond the net profit after tax of the current period.

The company authorizes the Board of Directors to distribute dividends, bonuses, or all or a portion of the statutory earnings surplus and capital surplus in cash. This requires the attendance of more than two-thirds of the directors and the consent of more than half of the attending directors. Additionally, it must be reported to the shareholders' meeting.

## **Chapter 7. Appendix**

Article 25. The company will take into account the environment and growth stage to meet future capital needs, maintain a healthy financial structure, ensure profitability, and maintain a balanced and stable dividend policy. It will allocate no less than ten percent of distributable profits as shareholder dividend bonuses each year. The method of distribution, whether through stock dividends or cash dividends, will be determined based on capital requirements and the dilution of earnings per share. Cash dividends will constitute no less than ten percent of the total dividend distribution.

Article 26. For matters not addressed in this charter, they shall be handled in accordance with the Company Law and relevant regulations.

Article 27. This charter was established on July 12, 2006.  
The 1st amendment was made on August 28, 2007.

The 2nd amendment was made on June 2, 2008.  
The 3rd amendment was made on September 22, 2008.  
The 4th amendment was made on October 31, 2011.  
The 5th amendment was made on January 7, 2013.  
The 6th amendment was made on February 21, 2014.  
The 7th amendment was made on May 29, 2014.  
The 8th amendment was made on May 1, 2015.  
The 9th amendment was made on September 9, 2015.  
The 10th amendment was made on November 3, 2015.  
The 11th amendment was made on May 18, 2018.  
The 12th amendment was made on May 29, 2019.  
The 13th amendment was made on March 3, 2020.  
The 14th amendment was made on June 15, 2022.  
The 15th amendment was made on November 3, 2023.  
The 16th amendment was made on September 25, 2024.  
The 17th amendment was made on June 25, 2025.

## **Ping Ho Environmental Technology Co., Ltd.**

### **Rules and Procedures of Shareholders' Meeting**

#### **Article 1.**

In order to establish a robust corporate governance framework for our shareholder meetings, enhance supervisory functions, and strengthen management capabilities, the Company has formulated these rules in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, for adherence.

#### **Article 2.**

The rules of proceedings for the company's shareholders' meeting should adhere to the provisions of these rules, unless otherwise specified by laws or the charter.

#### **Article 3.**

The shareholders' meeting of this company is convened by the Board of Directors, except where otherwise specified by law.

The company's convening of a video conference for the shareholders' meeting should be outlined in the articles of association and approved by the Board of Directors. The decision to hold a video shareholders' meeting must be endorsed by a resolution supported by over two-thirds of the directors and more than half of the attending directors on the Board of Directors, unless otherwise specified in the regulations governing stock affairs for publicly offered units in the company.

The alteration of the company's shareholder meeting convening method requires a resolution by the Board of Directors and must be executed no later than the dispatch of the shareholder meeting notice. The Company shall transform the notice of the shareholders' meeting, proxy forms, related recognition cases, discussion items, matters concerning the election or removal of directors, and other itemized proposals due, as well as explanatory materials, into electronic files and transmit them to the Market Observation Post System. This should be done thirty days before the annual shareholders' meeting or fifteen days before the extraordinary shareholders' meeting. The electronic files of the shareholders' meeting handbook and additional meeting materials shall be transmitted to the Market Observation Post System twenty-one days prior to the annual shareholder meeting or fifteen days prior to the interim shareholder meeting. However, if the company's actual received capital at the end of the most recent fiscal year reaches or exceeds NT\$10 billion, or if the combined shareholding ratio of foreign and mainland China investors recorded in the shareholder list of the most recent annual shareholder meeting reaches or exceeds 30%, the transmission of the aforementioned electronic file should be completed thirty days before the annual shareholder meeting. The shareholder meeting agenda and supplementary materials will be prepared 15 days before the shareholders' meeting for shareholders to access at any time. They will be available for viewing at the company and the professional stock affairs agent appointed by us.

The company should provide the aforementioned meeting manual and supplementary meeting materials for shareholders to review through the following methods on the day of the shareholder meeting:

1. The distribution should occur at the shareholders' meeting venue when holding a physical shareholders' meeting.
2. At a virtual shareholders' meeting, materials should be distributed at the meeting venue, while electronic files are also sent to the platform of video conference.
3. When convening a video conference shareholders' meeting, the electronic files should be transmitted to the video conferencing platform.

The notification and announcement must outline the purpose of the meeting. Electronic methods may be utilized if mutually agreed upon by the relevant parties.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

The reason for convening the shareholders' meeting has been declared as the complete re-election of directors, along with the specified date of assuming office. Once the re-election process at the shareholders' meeting concludes, no adjustments to the assumed duty date can be made during the same session through ad hoc motions or any other methods.

Shareholders who hold over one percent of the total issued shares may submit a single proposal for consideration at the general shareholders' meeting. Any submission exceeding this limit will not be included in the agenda. Additionally, if the proposal submitted by the shareholder falls under one of the scenarios stipulated in Article 172-1, Section 4 of the Companies Act, the Board of Directors reserves the right not to include it in the agenda. Shareholders are entitled to present advisory motions aimed at urging the company to enhance public interests or fulfill social responsibilities. According to the relevant provisions of Article 172-1 of the Company Law, the procedure is restricted to one item. If multiple items are proposed, none will be included in the agenda.

The company must issue written notices regarding the acceptance of shareholders' proposals, specifying the location and period of acceptance, before the stock transfer closure date preceding the general shareholders' meeting. The acceptance period should be no less than ten days.

Proposals from shareholders are limited to 300 words. Any proposal exceeding this limit will not be included on the agenda. Shareholders are required to attend the general meeting in person or authorize others to attend on their behalf and participate in the discussion of the submitted proposal.

The company shall inform the proposing shareholders of the outcome of their proposals before the date of the shareholder meeting convening notice and include the motions that comply with the provisions of this article in the meeting notice. The Board of Directors should provide an explanation for their exclusion at the shareholder meeting for shareholders whose proposals are not included in the agenda.

#### **Article 4.**

Shareholders may issue a proxy form provided by the company at each shareholders' meeting, specifying the scope of authorization and the appointed agent to attend the meeting on their behalf. A shareholder can issue only one proxy and appoint one person as the proxy holder. The proxy must be delivered to the company five days before the shareholder meeting. In case of multiple proxies, the one received first will be considered valid. However, the declarant who revokes the previous proxy is not subject to this limit.

After the proxy form is delivered to the company, shareholders who wishing to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically must notify the company in writing to revoke the proxy two days before the meeting. Failure to do so on time will result in the voting rights being exercised by the proxy agent prevailing.

After delivering the proxy form to the company, if a shareholder intends to attend the shareholder meeting via video conference. They must notify the company in writing to revoke the proxy two days before the meeting. Failure to do so on time will result in the voting rights being exercised by the proxy agent.

#### **Article 5.**

The venue for the shareholders' meeting should be either at the company's premises or at a location convenient for shareholders to attend and suitable for holding the meeting. The meeting shall commence no earlier than 9 a.m. or later than 3 p.m. The selection of venue and time should take into consideration the opinions of the independent directors.

When the company convenes a video conference for the shareholders' meeting, it is not bound by the location restrictions mentioned previously.

#### **Article 6.**

The meeting notice should include the registration time and location for shareholders, solicitors, and appointed proxies (hereinafter referred to as shareholders), as well as other matters that should be noted.

Registration for shareholders should be conducted at least thirty minutes before the start of the meeting. The registration area must be clearly marked, and adequate and competent personnel assigned to assist it. For virtual shareholders' meetings, registration should be accepted on the meeting platform thirty minutes prior to the start. Shareholders who have completed registration are considered to be present at the meeting in person.

Shareholders are required to attend the shareholders' meeting with either an attendance certificate, sign-in card, or other valid attendance documents. The company can't arbitrarily demand additional proof documents from shareholders beyond what is necessary. Solicitors seeking proxy should also carry identification documents for verification purposes.

The company should provide an attendance sheet for shareholders attending to register their presence or permit them to use sign-in cards as an alternative for registration.

The company is required to provide attending shareholders with meeting handbooks, annual reports, attendance certificates, speech slips, vote ballots, and any other relevant meeting materials. In the case of a director election, election vote ballot should be provided separately.

There is no restriction on the number of representatives who may attend the shareholders' meeting when the government or a legal entity is a shareholder. It may appoint only one representative to attend as a juristic person is delegated to attend a shareholders' meeting.

For shareholders who wish to attend the shareholders' meeting via video conference, they should register with the company two days before the meeting.

For virtual shareholder meetings, the company should upload meeting handbooks, annual reports, and other relevant materials to the virtual meeting platform at least 30 minutes before the meeting begins and continue to disclose them until the end of the meeting.

#### **Article 6.1.**

The company will conduct the shareholders' meeting via video. The following items must be clearly stated in the notice of the shareholders' meeting:

1. Ways for shareholders to participate in video conferences and exercise their rights.
2. The procedures for addressing any obstacles encountered on the video conference platform or during participation in a video meeting due to natural disasters, incidents, or other force majeure events, should include at least the following:
  - (1) If the aforementioned obstacles persist and can't be resolved, resulting in the need to postpone or continue the meeting. The notice should include the rescheduled or continued meeting time, including the date for the postponed or continued.
  - (2) Those shareholders who have not registered to participate in the original shareholders' meeting via video conferencing are not permitted to participate in the postponed or continued meeting.
  - (3) During the convening of a video-assisted shareholders' meeting, if the video conference can't proceed after deducting the shares represented by those who participated via video. The meeting should proceed if the total shares represented meet the statutory threshold for the shareholders' meeting. The shares represented by shareholders participating via video should be counted in the total shares represented. Regarding all motions at that shareholders' meeting, they will be treated as abstentions.

- (4) In the event that all resolutions have been announced and no questions and motions are made, the handling approach would be as follows.
3. Convening a video conference shareholders' meeting should include specifying appropriate alternative measures for shareholders who have difficulty participating in the meeting via video conferencing. Apart from the situations outlined in the Article 44-9, paragraph 6 of the Guidelines for Regulations Governing the Administration of Shareholder Services of Public Companies, the company should provide shareholders with connection equipment and necessary assistance. Additionally, the notice should specify the period during which shareholders can apply to the company and other relevant matters they should be aware of.

#### **Article 7.**

Should the shareholder meeting be called by the Board of Directors, the chairmanship is assumed by the chairman of the board. In the event of the chairman's absence or incapacity to fulfill their duties, the vice-chairman acts as their proxy. If there is no vice-chairman, or if they are also absent or unable to fulfill their duties, one of the executive directors appointed by the chairman acts as a proxy. In the absence of executive directors, one of the directors is designated to act as a proxy. Failure by the chairman to designate a proxy result in mutual appointment of a proxy by one of the executive directors or directors.

The chairmanship mentioned above is to be held by an executive director or director acting as a proxy, who has served in the position for over six months and possesses a comprehensive understanding of the company's financial operations. The same applies if the chairman serves as a representative of a corporate director.

The Shareholders' Meeting convened by the Board of Directors should be chaired by the chairman personally, and it is advisable for more than half of the directors to attend in person, along with at least one representative from each functional committee. The attendance should be documented in the minutes of the Shareholders' Meeting.

If the shareholders' meeting is convened by an entity other than the Board of Directors, the convener shall assume the role of chairman. In cases where there are two or more conveners, they should mutually select one individual to serve as chairman.

The company may designate appointed lawyers, accountants, or relevant personnel to attend the shareholders' meeting.

#### **Article 8.**

The company should record the process of shareholder registration, meeting, and vote counting in audio or video from the moment of accepting shareholder registration.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

In the case of a shareholder meeting conducted via video conference, the company is required to

record and preserve data pertaining to shareholder registration, check-in, inquiries, voting, and the company's voting results. Additionally, the entire video conference proceedings must be continuously and uninterruptedly recorded in both audio and video formats.

The company is required to adequately preserve the aforementioned data and audio-visual recordings throughout its existence, and provide the recordings to the trustee responsible for managing the video conference affairs for safekeeping.

#### **Article 9.**

The attendance at the shareholders' meeting should be calculated based on the number of shares. The number of shares present is calculated based on the attendance register or submitted check-in card, along with the number of shares reported on the video conference platform, and includes the shares voted by written or electronic.

Upon reaching the scheduled meeting time, the chairman should promptly declare the meeting start and announce the number of non-voting shares and the total shares represented.

In the absence of a representative with more than half of the total issued shares present, the chairman may announce a postponement of the meeting. However, such postponement shall be limited to twice, and the total delay time shall not exceed an hour. If the meeting is postponed twice and still fails to achieve the presence of shareholders representing over one-third of the total issued shares, the chairman should declare the meeting adjourned. In the case of a shareholder meeting held via video conference, the company should also announce the adjournment on the video conference platform of the shareholder meeting.

If the aforementioned postponement twice still fails to meet the quorum, with more than one-third of the total issued shares represented by shareholders, a tentative resolution may be adopted according to Article 175-1 of the Company Law. The tentative resolution should then be informed to all shareholders, and a new shareholders' meeting should be convened within one month. In the event of a shareholders' meeting conducted via video conference, shareholders who wish to attend via video should re-register with the company as per Article 6.

Before the end of the meeting, if the shares represented by attending shareholders reach more than half of the total issued shares, the chairman may resubmit the tentative resolution for a vote at the shareholders' meeting, as stipulated in Article 174 of the Company Law.

#### **Article 10.**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal on the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by an entity other than the board of directors with the power to convene.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### **Article 11.**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

For shareholders' meetings conducted via video conference, shareholders participating through video means may submit questions in text on the video conference platform from the time the chairman announces the meeting's commencement until the meeting's adjournment is announced. Each resolution can be questioned up to two times, with a limit of 200 words per question. The provisions from the first to the fifth do not apply in this case.

#### **Article 12.**

Voting at a shareholders meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### **Article 13.**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall

first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

The company convened a video conference for the shareholders' meeting. The shareholders who participate via video should cast their votes on various resolutions and election motions through the video conference platform after the chairman announces the commencement of the meeting. All voting should be completed before the chairman announces the conclusion of the voting period. Failure to do so will result in forfeiture of voting rights.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### **Article 14.**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### **Article 15.**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### **Article 16.**

On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a virtual shareholders meeting, the company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17.**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18.**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

**Article 19.**

In the event of a virtual shareholders meeting, the company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations.

**Article 20.**

When the company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

**Article 21.**

In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the

virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and results have been announced, or list of elected directors.

When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the first paragraph, the company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

## **Article 22.**

When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Apart from the situations outlined in the section 6 of Article 44-9 of the Guidelines for Regulations Governing the Administration of Shareholder Services of Public Companies, the company should provide shareholders with connection equipment and necessary assistance. Additionally, the notice should specify the period during which shareholders can apply to the company and other relevant matters they should be aware of.

**Article 23.**

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

This regulation was established on May 29, 2019.

The 1st amendment was made on March 3, 2020.

The 2nd amendment was made on June 11, 2020.

The 3rd amendment was made on July 20, 2021.

The 4th amendment was made on June 15, 2022.

The 5th amendment was made on November 3, 2023.

**Ping Ho Environmental Technology Co., Ltd.**  
**Procedures for Ethical Management and Guidelines for**  
**Conduct(Before Revision)**

Article 1

The Company itself engages in business activities based on the principles of fairness, honesty, trust, and transparency. In order to implement the integrity management policy and actively prevent dishonest behavior, these operating procedures and behavioral guidelines are established in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the relevant laws and regulations of the locations where the Company itself and its group enterprises and organizations operate, specifically outlining the matters that Company personnel should pay attention to when conducting business.

The scope of application of these operating procedures and behavioral guidelines extends to the Subsidiary of the Company, foundations directly or indirectly funded by more than fifty percent, and other institutions or legal entities within the group enterprises and organizations that possess substantial control capabilities.

Article 2

The term "Company personnel" as referred to in these operating procedures and behavioral guidelines includes the directors, managers, employees, appointees, and individuals with substantial control capabilities of the Company itself and its group enterprises and organizations.

It is presumed to be an act by the Company personnel if the Company personnel provides, promises, requests, or receives any improper benefits through a third party.

Article 3

The term "dishonest behavior" as referred to in these operating procedures and behavioral guidelines refers to the acts of Company personnel, during the course of business execution, who directly or indirectly provide, receive, promise, or request any improper benefits, or engage in other acts that violate integrity, are illegal, or breach fiduciary duties, in order to obtain or maintain benefits.

The individuals or entities involved in the aforementioned behaviors include public officials, political candidates, political parties or their personnel, as well as any public or private enterprises or institutions and their directors, supervisors, managers, employees, individuals with substantial control capabilities, or other related parties.

Article 4

The term "benefit" as referred to in these operating procedures and behavioral guidelines refers to money, gifts, presents, commissions, positions, services, privileges, kickbacks, facilitation fees, entertainment, social engagements, and other things of value in any form or under any name.

Article 5

The Company itself designates the audit office as the dedicated unit (hereinafter referred to as the

Company's dedicated unit), which is subordinate to the Board of Directors. It is provided with sufficient resources and competent personnel to handle the revision, execution, interpretation, consultation services, and registration of reporting content related to this operational procedure and code of conduct, as well as supervision and execution. Its main responsibilities include the following tasks, and it should report to the Board of Directors regularly:

1. Assist in integrating integrity and ethical values into the company's business strategies, and formulate related preventive measures to ensure integrity management in coordination with legal and regulatory systems.
2. Regularly analyze and assess the risk of dishonest behavior within the scope of business operations and formulate plans to prevent dishonest behavior accordingly. Additionally, establish relevant standard operating procedures and behavioral guidelines for each plan.
3. Plan the internal organization, structure, and responsibilities, and implement mutual supervision and checks and balances mechanisms for business activities with higher risks of dishonest behavior within the scope of operations.
4. Promotion and coordination of integrity policy advocacy training.
5. Plan a whistleblowing system to ensure its effective implementation.
6. Assist the Board of Directors and management in auditing and evaluating whether the preventative measures established for implementing integrity management are operating effectively, and regularly assess compliance with related business processes to prepare reports.
7. Produce and properly retain documented information on the integrity management policy and its compliance statements, implementation commitments, and execution status.

#### Article 6

When Company personnel directly or indirectly provide, receive, promise, or request the benefits specified in Article 4, unless under the following circumstances, they must comply with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the provisions of these operating procedures and behavioral guidelines, and proceed according to the relevant procedures before doing so:

1. Based on business needs, during domestic (or overseas) visits, hosting foreign guests, promoting business, and in communication and coordination, actions conducted in accordance with local courtesy, customs, or traditions.
2. Participating in or inviting others to hold normal social activities based on ordinary social etiquette, business purposes, or fostering relationships.
3. Invite clients or be invited to attend specific business activities, factory tours, etc., due to business needs, with clearly defined arrangements regarding cost-sharing, number of participants, accommodation standard, and duration.
4. Participate in publicly-held folk festivals and events that invite the general public to attend.
5. Rewards, assistance, condolences, or commendations from supervisors.
6. Providing or receiving money, property, or other benefits from individuals other than relatives

or frequently associated friends, or gifts from others to the majority of Company personnel, should conform to general societal norms or the scope of normal customs.

7. For gifts received due to engagement, marriage, childbirth, relocation, employment, promotion, retirement, resignation, departure, and injury, illness, or death of oneself, spouse, or direct relatives, the market value should not exceed the reasonable value according to normal social customs.
8. Other criteria that comply with the company regulations.

#### Article 7

When Company personnel encounter a situation where others directly or indirectly offer or promise the benefits specified in Article 4, except as stipulated in the previous article, the following procedures should be followed:

1. If the person providing or committing has no job-related interest, it should be reported to the immediate supervisor within three days of receipt, and notify the Company's allocated department if necessary.
2. If the person providing or committing has a job-related interest, it should be returned or refused, and reported to the immediate supervisor and notified to the Company's allocated department; if returning is not possible, it should be submitted to the Company's allocated department for handling within three days of receipt.

The term "conflicts of interest related to their position" as mentioned in the preceding paragraph refers to any of the following circumstances:

1. Those engaged in business transactions, command and supervision, or expense subsidies (rewards).
2. Those who are seeking, engaging in, or have entered into contractor, purchase and sale, or other contract relationships.
3. Others who may be positively or negatively affected by the decisions, execution, or non-execution of the Company's business.

The Company's allocated department should, based on the nature and value of the interest in the first item, propose appropriate suggestions such as returning, accepting with payment, public donation, donation to charitable organizations, or other suitable recommendations, and execute them after obtaining the Chief Executive Officer's approval.

#### Article 8

The Company itself shall not provide or commit to any facilitation payments.

If personnel of the Company itself provide or commit to facilitation payments due to threats or intimidation, the process should be recorded and reported to the immediate supervisor, and the Company's allocated department should be notified.

Upon receiving the aforementioned notice, the Company itself's dedicated unit should immediately address the issue and review the related circumstances to reduce the risk of recurrence. If any illegal activities are discovered, they should be immediately reported to the judicial authorities.

## Article 9

When the Company itself provides political donations, it shall be handled in accordance with the following regulations: reported to the Chief Executive Officer for approval and notified to the Company's dedicated unit. If the amount reaches or exceeds NT\$2,000,000, it must be submitted to the Board of Directors for approval before it can be executed.

1. It should be confirmed that it complies with the relevant political contribution regulations of the recipient's country, including the limits and forms of political contributions.
2. Decisions should be made into written records.
3. Political contributions should be accounted for in accordance with regulations and related accounting procedures.
4. When providing political donations, it is important to avoid engaging in commercial transactions with government-related entities, applying for permissions, or handling other matters involving the company's interests.

## Article 10

The Company itself provides charitable donations or sponsorships, it shall be handled in accordance with the following matters: reported to the Chief Executive Officer for approval and notified to the Company's dedicated unit. If the amount reaches or exceeds NT\$2,000,000, it must be submitted to the Board of Directors for approval before it can be executed.

1. It should comply with the regulations of the location where operations are conducted.
2. Decisions should be made into written records.
3. The recipients of charitable donations should be charitable organizations, and they must not be used as a form of disguised bribery.
4. As the returns from sponsorship are clear and reasonable, the beneficiaries must not be commercial counterparts of The Company itself or individuals with related interests to its personnel.
5. After charitable donations or sponsorships, it should be confirmed that the use of the funds aligns with the purpose of the donation.

## Article 11

Directors, managers, and other related parties attending or present at the Board of Directors meetings who have a conflict of interest with the matters discussed at the meeting, either personally or on behalf of the legal entity they represent, must disclose the significant contents of their interest at the meeting. If the interest is detrimental to the Company's interests, they shall not participate in the discussion or voting, must recuse themselves during discussions and voting, and cannot act as a proxy for other directors in exercising voting rights. Directors should also exercise self-discipline and must not improperly support one another.

The spouse or direct blood relatives within two degrees of kinship of a director, or a company that has a control or subordinate relationship with the director, shall be deemed to have a personal interest in the matters of the aforementioned meeting as if the director has a personal interest in those matters.

When personnel of the Company itself discover a conflict of interest between the Company's business execution and their own or the legal entity they represent, or if it may result in obtaining improper benefits for themselves, their spouse, parents, children, or related parties, they must report the relevant situation simultaneously to their immediate supervisor and the Company's allocated department. The immediate supervisor should provide appropriate guidance.

The Company personnel shall not use company resources for business activities outside the Company, and their work performance must not be affected by participation in business activities outside the Company.

#### Article 12

The Company itself should establish a dedicated unit responsible for formulating and executing the management, preservation, and confidentiality operational procedures for the company's trade secrets, trademarks, patents, and other intellectual property. It should also regularly review the implementation results to ensure the continued effectiveness of these operational procedures.

The personnel of The Company itself must strictly adhere to the relevant operational regulations concerning intellectual property mentioned in the preceding clause. They must not disclose any trade secrets, trademarks, patents, or other intellectual property they become aware of to others, nor should they inquire about or collect any trade secrets, trademarks, patents, or other intellectual property that are not related to their duties.

#### Article 13

The Company itself shall engage in business activities in compliance with the Fair Trade Act and relevant competition laws, and shall not fix prices, manipulate bidding, restrict production and quotas, or share or divide the market by assigning customers, suppliers, operating regions, or types of business.

#### Article 14

The Company itself should collect and understand the relevant regulations and international standards that must be followed for the products and services provided, and compile and announce the matters that require attention. This is to ensure that during the research and development, procurement, manufacturing, provision, or sales process of products and services, Company personnel ensure the transparency and safety of product and service information.

The Company itself has established and publicly disclosed on its website a policy for the protection of the rights and interests of consumers or other related parties. This is to prevent products or services from directly or indirectly harming the rights, health, and safety of consumers or other related parties. When it is reported by the media or there are facts sufficient to confirm that the products or services of the Company itself may pose a risk to the safety and health of consumers or other related parties, the Company itself should immediately recall the batch of products or cease its services, investigate the authenticity of the facts, and propose a review and improvement plan.

The Company itself's dedicated unit should report the aforementioned situation, its handling methods, and subsequent review and improvement measures to the Board of Directors.

#### Article 15

The personnel of The Company itself must comply with the regulations of the Securities Exchange Act, and must not engage in insider trading using any non-public information they become aware of, nor disclose it to others to prevent others from engaging in insider trading with that information.

Institutions or personnel participating in the Company's merger, demerger, acquisition, and share transfer, important memorandums, strategic alliances, other business collaboration plans, or important contracts must sign a confidentiality agreement with the Company itself, committing not to disclose any business secrets or other significant information they become aware of to others, and not to use such information without the Company's consent.

#### Article 16

The Company itself shall require directors and senior management to issue a statement of compliance with the integrity management policy and include compliance with the integrity management policy as a condition of employment for employees.

The Company itself should disclose its integrity management policy in its internal regulations, annual report, company website, or other promotional materials, and announce it at external events such as product launch events and investor conferences. This ensures that its suppliers, customers, or other business-related organizations and personnel can clearly understand its philosophy and standards of integrity management.

#### Article 17

Before the Company itself establishes a business relationship with others, it should first assess the legality, integrity management policy, and any record of dishonest conduct of agents, suppliers, customers, or other commercial counterparts. This is to ensure that their business operations are fair, transparent, and do not involve requesting, offering, or receiving bribes.

When the Company itself conducts the aforementioned assessment, it may adopt appropriate audit procedures to review the following aspects of its commercial counterparts to understand their integrity management status:

1. The country of the enterprise, the location of operations, the organizational structure, business policies, and payment location.
2. Does the enterprise have an established integrity management policy and its implementation status?
3. Is the location of the enterprise's operations considered a high-risk country for corruption?
4. Is the business operated by the enterprise considered a high-risk industry for bribery?
5. The enterprise's long-term operational status and reputation.
6. Consult its business partners for their opinions on the enterprise.
7. Does the enterprise have any record of involvement in bribery or dishonest behaviors such as illegal political donations?

#### Article 18

During the course of commercial activities, Company personnel should explain the Company's

integrity management policy and related regulations to the Counterparty, and clearly refuse to directly or indirectly provide, promise, request, or receive any form of improper benefits.

#### Article 19

Company personnel should avoid engaging in business transactions with agents, suppliers, customers, or other commercial counterparts involved in dishonest conduct. If any business transaction or cooperative partner is found to have engaged in dishonest behavior, the Company should immediately cease business interactions with them and categorize them as a refused counterpart to implement the Company's integrity management policy.

#### Article 20

When the Company itself enters into a Contract with others, it should fully understand the other party's integrity management status and incorporate compliance with the Company's integrity management policy into the Contract terms. The Contract should clearly specify at least the following items:

1. When either party becomes aware of any personnel violating the contract terms prohibiting the receipt of commissions, kickbacks, or other improper benefits, they should immediately and truthfully inform the other party of the identity of such personnel, the manner in which the benefits were provided, promised, requested, or received, the amount, or other improper benefits, and provide relevant evidence and cooperate with the other party's investigation. If one party suffers damage as a result, they may claim compensation for the related losses and punitive damages from the other party and may also deduct the full amount from the contract price due for payment.
2. If either party engages in dishonest conduct during business activities, the other party may terminate or rescind the contract at any time unconditionally.
3. Establish clear and reasonable payment terms, including the location, method, and compliance with relevant tax regulations.

#### Article 21

The Company itself encourages both internal and external personnel to report dishonest or improper conduct. Depending on the severity of the reported issue, rewards may be granted. If internal personnel make false reports or malicious accusations, disciplinary action should be taken, and in severe cases, dismissal may be warranted.

The Company itself has established and announced an internal independent whistleblower mailbox and hotline on the company website for use by both internal and external personnel.

The whistleblower should at least provide the following information:

1. The name and identification number of the whistleblower can be anonymous, along with the address, phone number, and email address where the whistleblower can be contacted.
2. The name of the person being reported or other information sufficient to identify the characteristics of the person being reported.
3. Specific evidence available for investigation.

Personnel involved in handling reports within The Company itself should provide a written declaration to keep the identity of the whistleblower and the content of the report confidential. The Company itself also commits to protecting the whistleblower from any improper treatment resulting from the report.

The Company dedicated unit should handle reported matters according to the following procedures:

1. If the reported issue involves general employees, it should be reported to the department supervisor. If the reported issue involves directors or senior management, it should be reported to the Independent director.
2. The Company's allocated department and the reported supervisor or personnel in the previous clause should immediately verify the relevant facts, with assistance provided by the compliance or other relevant departments if necessary.
3. If it is confirmed that the accused has indeed violated relevant laws or the Company's integrity management policies and regulations, they should be immediately required to cease the related conduct and take appropriate action. Additionally, it may be necessary to report to the Competent Authority, transfer the case to judicial authorities for investigation, or seek damages through legal procedures to protect the Company's reputation and interests.
4. The acceptance of whistleblower reports, investigation process, and investigation results should all be documented in written documents and preserved for five years, with the possibility of electronic storage. If litigation related to the report occurs prior to the expiry of the custody period, the relevant data should continue to be retained until the conclusion of the legal proceedings.
5. In the event that the reported matters are verified to be true, the relevant units of the Company itself should be held accountable for reviewing the related internal control systems and operational procedures, and propose improvement measures to prevent the recurrence of similar actions.
6. The Company itself's dedicated unit should report the aforementioned situation, its handling methods, and subsequent review and improvement measures to the Board of Directors.

#### Article 22

If Company personnel encounter others engaging in dishonest conduct toward the Company, and such actions involve illegal activities, the Company should notify the judicial and prosecutorial authorities of the relevant facts. If it involves public agencies or public officials, the government integrity agencies should also be informed.

#### Article 23

The Company's dedicated unit should hold an internal advocacy session once a year, arranging for the Chairperson, Chief Executive Officer, President, or senior management to convey the importance of integrity to directors, employees, and appointees.

The Company itself shall incorporate integrity management into employee performance evaluations and human resource policies, establishing clear and effective reward, punishment, and grievance

systems.

The Company itself should dismiss or terminate personnel who have committed significant breaches of integrity, in accordance with relevant laws or the Company's personnel regulations.

The Company itself should internally announce and disclose information such as the job title, name, date of violation, details of the violation, and handling status of personnel involved in breaches of integrity.

#### Article 24

This operational procedure and code of conduct shall be implemented after being approved by the Audit Committee and the Board of Directors and will be reported to the shareholders' meeting; any revisions shall follow the same procedure.

When submitting this operational procedure and code of conduct for discussion by the Board of Directors, the opinions of all independent directors shall be fully considered. Any opposition or reservations should be clearly recorded in the minutes of the Board meeting. If an independent director is unable to attend the Board meeting to express their opposition or reservations in person, except for legitimate reasons, they should provide a written opinion in advance, which should also be recorded in the minutes of the Board meeting.

#### Article 25

The procedure and code of conduct were established on March 20, 2020.

The 1st amendment was made on June 29, 2022.

**Ping Ho Environmental Technology Co., Ltd.**  
**Shareholdings of Directors**

1. The company has a total of 31,179,500 shares issued.
2. As per Article 26 of the “Securities and Exchange Act” and the regulations outlined in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” all directors of the company are required to hold a minimum of 3,600,000 shares.
3. The company has established an Audit Committee, hence the statutory requirement regarding the number of shares that supervisors should hold does not apply.
4. As of the book closure date of this shareholders general meeting, the detailed shareholding of all directors recorded in the shareholder register is as follows:
5. The shareholding of all directors of the company has reached the statutory threshold.

Book closure date: March 29, 2026

Title	Name	The number of shares held as recorded in the shareholders' register on the book closure date.	
		Shareholding (Shares)	Percentage of shares (%)
Chairman	Ming-Yang Wu	2,101,172	6.74%
Director	Ming-Jen Hung	1,268,420	4.07%
Director	Ming-Cheng Chung	589,680	1.89%
Director	Chin-Lan Huang	211,450	0.68%
Independent Director	Chi-Shan Hung	0	0%
Independent Director	Tao-Min Chen	0	0%
Independent Director	Tai-Long Chin	0	0%
Total		4,170,722	13.38%