



Stock Code: 6771

Ping Ho Environmental Technology Co., Ltd.

# 2024 First Special Shareholders' Meeting Meeting Handbook

Date: September 25, 2024

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 2024 FIRST SPECIAL 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.  
2024 First Special Shareholders' Meeting

**Meeting Procedure**

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

# Ping Ho Environmental Technology Co., Ltd.

## 2024 First Special Shareholders' Meeting

### **Meeting Agenda**

Time: 9:00 a.m. on Wednesday, September 25, 2024

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. Discussion Items
  - (1) Discussion of revision of the Articles of Incorporation.
  - (2) Discussion of revision of the Procedures for Acquisition or Disposal of Assets.
4. Extemporaneous Motions
5. Meeting Adjournment

## **Discussion Items**

Proposal 1: Discussion of revision of the Articles of Incorporation.

(Proposed by the Board of Directors)

Description:

1. To align with the company's operational needs, it is proposed to amend the relevant provision of the Articles of the Articles of Incorporation.
2. The Comparison Table of Revised Articles of Incorporation, please refer to Attachment 1( pages 4 to 6).

Resolution:

Proposal 2: Discussion of revision of the Procedures for Acquisition or Disposal of Assets.

(Proposed by the Board of Directors)

Description:

1. To align with the company's operational needs, it is proposed to amend the relevant provision of the Procedures for Acquisition or Disposal of Assets.
2. The Comparison Table of Revised Procedures for Acquisition or Disposal of Assets, please refer to Attachment 2( pages 7 to 11).

Resolution:

## **Extemporaneous Motions**

## **Meeting Adjournment**

## Ping Ho Environmental Technology Co., Ltd.

### Comparison Table of Revised Articles of Incorporation

Before Revision	After Revision	Description
<p>Article 24.</p> <p>If the company generates a profit in its annual final settlement, the initial step is to earmark funds for tax payments and to offset any accumulated deficits. Next, it should set aside 10% as a statutory surplus reserve. However, if the statutory surplus already equals the total 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. 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</p>	<p>Article 24.</p> <p><u>The Company distributes profits or covers losses after the end of each semi-annual accounting period.</u></p> <p><u>When distributing profits for each semi-annual accounting period, 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.</u> 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 <u>from the first half of the accounting period.</u> 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. <u>If the distribution is to be made in cash, the resolution can be made by the board of directors.</u> The allocation of the aforementioned special reserves,</p>	Operational needs

<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
<p>Article 27.</p> <p>This charter was established on July 12, 2006.</p> <p>The 1st amendment was made on August 28, 2007.</p> <p>The 2nd amendment was made on June 2, 2008.</p> <p>The 3rd amendment was made on September 22, 2008.</p> <p>The 4th amendment was made on October 31, 2011.</p> <p>The 5th amendment was made on January 7, 2013.</p> <p>The 6h amendment was made on February 21, 2014.</p> <p>The 7th amendment was made on</p>	<p>Article 27.</p> <p>This charter was established on July 12, 2006.</p> <p>The 1st amendment was made on August 28, 2007.</p> <p>The 2nd amendment was made on June 2, 2008.</p> <p>The 3rd amendment was made on September 22, 2008.</p> <p>The 4th amendment was made on October 31, 2011.</p> <p>The 5th amendment was made on January 7, 2013.</p> <p>The 6h amendment was made on February 21, 2014.</p> <p>The 7th amendment was made on</p>	<p>Addition of the revision date and order of revisions.</p>



<p>May 29, 2014.</p> <p>The 8th amendment was made on May 1, 2015.</p> <p>The 9th amendment was made on September 9, 2015.</p> <p>The 10th amendment was made on November 3, 2015.</p> <p>The 11th amendment was made on May 18, 2018.</p> <p>The 12th amendment was made on May 29, 2019.</p> <p>The 13th amendment was made on March 3, 2020.</p> <p>The 14th amendment was made on June 15, 2022.</p> <p>The 15th amendment was made on November 3, 2023.</p>	<p>May 29, 2014.</p> <p>The 8th amendment was made on May 1, 2015.</p> <p>The 9th amendment was made on September 9, 2015.</p> <p>The 10th amendment was made on November 3, 2015.</p> <p>The 11th amendment was made on May 18, 2018.</p> <p>The 12th amendment was made on May 29, 2019.</p> <p>The 13th amendment was made on March 3, 2020.</p> <p>The 14th amendment was made on June 15, 2022.</p> <p>The 15th amendment was made on November 3, 2023.</p> <p><u>The 16th amendment was made on September 25, 2024.</u></p>	
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## Ping Ho Environmental Technology Co., Ltd.

### Comparison Table of Revised Procedures for Acquisition or Disposal of Assets

Before Revision	After Revision	Description												
<p>Article 2-1.</p> <p>The terms used in this procedure are defined as follows:</p> <p>1.~6. (omitted)</p> <p>7. The term "company net worth" refers to the amount of equity attributable to the company as shown in the most recent financial statements publicly audited or reviewed by an accountant before the acquisition or disposal of assets.</p>	<p>Article 2-1.</p> <p>The terms used in this procedure are defined as follows:</p> <p>1.~6. (omitted)</p> <p>7. The term "company net worth" refers to the amount of equity attributable to the <u>parent</u> company as shown in the most recent financial statements publicly audited or reviewed by an accountant before the acquisition or disposal of assets.</p>	Operational needs												
<p>Article 3.</p> <p>Investment limits for non-operating real estate, their right-of-use assets, and securities.</p> <p><u>The Company and its subsidiaries have set the individual acquisition limits for the aforementioned assets as follows:</u></p> <p>1. <u>The total amount of non-operating real estate and its right-of-use assets shall not exceed fifty percent (50%) of the net worth.</u></p> <p>2. <u>The total amount of investment in securities must not exceed one hundred percent (100%) of the net worth.</u></p> <p>3. <u>The amount of investment in individual securities must not exceed fifty percent (50%) of the net worth.</u></p> <p><u>To focus on core business development, the quotas for the securities mentioned in items 2. and 3. refer to investments in securities that are neither listed on stock exchanges nor traded at securities brokerages, and are limited to companies (including subsidiaries)</u></p>	<p>Article 3.</p> <p><u>The Company and its subsidiaries' investment limits for non-operating real estate, their right-of-use assets, and securities are as follows:</u></p> <table border="1"> <tr> <td></td><td colspan="2"><u>Must not exceed the percentage of the net worth in the Company's most recent financial statements.</u></td></tr> <tr> <td></td><td><u>The Company</u></td><td><u>Subsidiary Companies</u></td></tr> <tr> <td><u>Total Assets of Purchased Non-Operating Real Estate and Its Right-of-Use Assets</u></td><td><u>50%</u></td><td><u>20%</u></td></tr> <tr> <td><u>Total Amount of Investments in</u></td><td><u>100%</u></td><td><u>50%</u></td></tr> </table>		<u>Must not exceed the percentage of the net worth in the Company's most recent financial statements.</u>			<u>The Company</u>	<u>Subsidiary Companies</u>	<u>Total Assets of Purchased Non-Operating Real Estate and Its Right-of-Use Assets</u>	<u>50%</u>	<u>20%</u>	<u>Total Amount of Investments in</u>	<u>100%</u>	<u>50%</u>	Operational needs
	<u>Must not exceed the percentage of the net worth in the Company's most recent financial statements.</u>													
	<u>The Company</u>	<u>Subsidiary Companies</u>												
<u>Total Assets of Purchased Non-Operating Real Estate and Its Right-of-Use Assets</u>	<u>50%</u>	<u>20%</u>												
<u>Total Amount of Investments in</u>	<u>100%</u>	<u>50%</u>												

Before Revision	After Revision			Description						
<u>related to the Company’s industry.</u>	<table><tr><td><u>Securities</u></td><td></td><td></td></tr><tr><td><u>Amount of individual securities invested</u></td><td><u>100%</u></td><td><u>50%</u></td></tr></table>	<u>Securities</u>			<u>Amount of individual securities invested</u>	<u>100%</u>	<u>50%</u>	<u>The investment amount of the aforementioned securities refers to the cumulative investment costs.</u>		
<u>Securities</u>										
<u>Amount of individual securities invested</u>	<u>100%</u>	<u>50%</u>								
Article 7. Procedures for the Acquisition or Disposal of Real Estate, Equipment, or Right-of-Use Assets 1. Evaluation and Operating Procedures The Company’s acquisition or disposal of real estate, equipment, or their right-of-use assets, including the methods of price determination, reference basis, transaction process, etc., shall be handled in accordance with the Company’s internal control system for property, plant, and equipment cycle procedures. 2. Procedure for Deciding Transaction Qualifications and Authorization Limits (1) For the acquisition or disposal of real estate or its right-of-use assets, the transaction qualifications and transaction price should be determined by referring to the announced current value, appraised value, and actual transaction prices of nearby real estate. An analysis report should be prepared, and the procedures should be carried out in accordance with the <u>tiered responsibility regulations</u> . (2) The acquisition or disposal of equipment or its right-of-use	Article 7. Procedures for the Acquisition or Disposal of Real Estate, Equipment, or Right-of-Use Assets 1. Evaluation and Operating Procedures The Company’s acquisition or disposal of real estate, equipment, or their right-of-use assets, including the methods of price determination, reference basis, transaction process, etc., shall be handled in accordance with the Company’s internal control system for property, plant, and equipment cycle procedures. 2. Procedure for Deciding Transaction Qualifications and Authorization Limits (1) For the acquisition or disposal of real estate or its right-of-use assets, the transaction qualifications and transaction price should be determined by referring to the announced current value, appraised value, and actual transaction prices of nearby real estate. An analysis report should be prepared, and the procedures should be carried out in accordance with the <u>authority approval table regulations</u> . (2) The acquisition or disposal of equipment or its right-of-use			Operational needs						

Before Revision	After Revision	Description
<p>assets should be carried out by means of inquiry, comparison, negotiation, or bidding, and handled in accordance with the <u>tiered responsibility regulations</u>.</p> <p>(omitted below)</p>	<p>assets should be carried out by means of inquiry, comparison, negotiation, or bidding, and handled in accordance with the <u>authority approval table regulations</u>.</p> <p>(omitted below)</p>	
<p>Article 8. Procedure for Acquisition or Disposal of Securities</p> <p>1. Evaluation and Operating Procedures The purchase and sale of the Company's long-term and short-term securities are conducted in accordance with the investment cycle operations of the Company's internal control system.</p> <p>2. Procedure for Deciding Transaction Qualifications and Authorization Limits For the trading of listed, OTC, and emerging market securities that are not conducted on the stock exchange or at securities brokerages, the most recent financial statements audited or reviewed by an accountant of the target company should be obtained before the transaction date as a reference for evaluating the transaction price. Considerations should include the company's per share net worth, profitability, and future development potential, and procedures should be handled according to <u>the tiered responsibility regulations</u>.</p>	<p>Article 8. Procedure for Acquisition or Disposal of Securities</p> <p>1. Evaluation and Operating Procedures The purchase and sale of the Company's long-term and short-term securities are conducted in accordance with the investment cycle operations of the Company's internal control system.</p> <p>2. Procedure for Deciding Transaction Qualifications and Authorization Limits <u>For the trading of listed and over-the-counter (OTC) securities on stock exchanges or securities brokerages, the finance and accounting or designated department should perform evaluations based on market conditions.</u> For the trading of listed, OTC, and emerging market securities that are not conducted on the stock exchange or at securities brokerages, the most recent financial statements audited or reviewed by an accountant of the target company should be obtained before the transaction date as a reference for evaluating the transaction price. Considerations should include the company's per share net worth, profitability, and future development potential, and procedures should be handled according to <u>the authority approval</u></p>	Operational needs

Before Revision	After Revision	Description
<p>3. Executing Unit When the Company invests in long-term and short-term securities, it should follow the approval authority levels described above, after which the finance and accounting department will be responsible for execution.</p> <p>4. Obtaining Expert Opinions If the Company acquires or disposes of securities and the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or exceeds NT\$ 300 million, it should consult an accountant for an opinion on the reasonableness of the transaction price prior to the occurrence of the fact. However, securities with active market quotations or as otherwise stipulated by the competent authority are not subject to this limit.</p>	<p><u>table regulations.</u> <u>For amounts below NT\$ 50 million, approval shall be granted step-by-step according to the authorization table. For amounts exceeding NT\$ 50 million, approval by the board of directors is required.</u></p> <p>3. Executing Unit When the Company invests in long-term and short-term securities, it should follow the approval authority levels described above, after which the finance and accounting <u>or designated</u> department will be responsible for execution.</p> <p>4. Obtaining Expert Opinions If the Company acquires or disposes of securities and the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or exceeds NT\$ 300 million, it should consult an accountant for an opinion on the reasonableness of the transaction price prior to the occurrence of the fact. However, securities with active market quotations or as otherwise stipulated by the competent authority are not subject to this limit.</p>	
<p>Article 9. Processing Procedures for the Acquisition or Disposal of Membership Certificates or Intangible Assets or Its Right-of-Use Assets</p> <p>1. Evaluation and Operating Procedures The Company acquires or disposes of membership certificates or intangible assets or its right-of-use assets, as directed by the CEO, with the responsible person or a designated project team in charge</p>	<p>Article 9. Processing Procedures for the Acquisition or Disposal of Membership Certificates or Intangible Assets or Its Right-of-Use Assets</p> <p>1. Evaluation and Operating Procedures The Company acquires or disposes of membership certificates or intangible assets or its right-of-use assets, as directed by the CEO, with the responsible person or a designated project team in charge</p>	Operational needs

Before Revision	After Revision	Description
<p>of evaluation and execution.</p> <p>2. Procedure for Deciding Transaction Qualifications and Authorization Limits</p> <p>(1) The acquisition or disposal of membership certificates should draw reference from the fair market value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be conducted in accordance with the <u>tiered responsibility regulations</u>.</p> <p>(2) The acquisition or disposal of intangible assets should refer to expert evaluation reports or the market fair value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be handled in accordance with the <u>tiered responsibility regulations</u>.</p> <p>(omitted below)</p>	<p>of evaluation and execution.</p> <p>2. Procedure for Deciding Transaction Qualifications and Authorization Limits</p> <p>(1) The acquisition or disposal of membership certificates should draw reference from the fair market value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be conducted in accordance with the <u>authority approval table regulations</u>.</p> <p>(2) The acquisition or disposal of intangible assets should refer to expert evaluation reports or the market fair value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be handled in accordance with the <u>authority approval table regulations</u>.</p> <p>(omitted below)</p>	
<p>Article 19.</p> <p>The procedures were established on May 29, 2019.</p> <p>The 1st amendment was made on March 3, 2020.</p> <p>The 2nd amendment was made on June 15, 2022.</p> <p>The 3rd amendment was made on June 15, 2023.</p>	<p>Article 19.</p> <p>The procedures were established on May 29, 2019.</p> <p>The 1st amendment was made on March 3, 2020.</p> <p>The 2nd amendment was made on June 15, 2022.</p> <p>The 3rd amendment was made on June 15, 2023.</p> <p><u>The 4th amendment was made on September 25, 2024.</u></p>	<p>Addition of the revision date and order of revisions.</p>

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

### **Articles of Incorporation(Before Revision)**

#### **Chapter 1. General Principles**

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

**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 Act 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 conditions and subscription methods are authorized by the Board of Directors. The recipients eligible to receive employee stock warrants from the company may include employees of controlling or subsidiary companies who meet specific conditions. The terms and purchase methods are determined by the resolution of the Board of Directors.

Employees from controlling or subsidiary companies who meet specific conditions may be eligible to receive restricted stock awards from the company. The conditions and purchase methods are authorized by the resolution of the Board of Directors.



The treasury shares purchased by the company may be transferred to employees of controlling or subsidiary companies who meet certain conditions. The conditions and transfer methods are authorized by the resolution of the Board of Directors.

**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 Act. 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 Act, 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 Act 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 Act 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 Act.

**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 Act.

#### **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-fifth of the total director seats. These independent directors are elected from a list of nominees at the shareholders' meeting. 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. The amount of insurance and related matters will be

decided by the Board of Directors.

**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 Act. The term of office shall be limited to that of the original duration.

**Article 17.** Unless otherwise stipulated by Company Act, 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 Act, 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 Act.

## **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 who meet specific conditions, as determined by the Board of Directors.

**Article 24.** If the company generates a profit in its annual final settlement, the initial step is to earmark funds for tax payments and to offset any accumulated deficits. Next, it should set aside 10% as a statutory surplus reserve. However, if the statutory surplus already equals the total 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. 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 Act 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.

**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 Act, 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 Act. 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 Act.

#### **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 Acquisition or Disposal of Assets**  
**(Before Revision)**

**Article 1.** Legal Basis

This processing procedure is established in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

**Article 2.** Scope of Assets

1. Securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficiary certificates, and asset-backed securities.
2. Property and equipment.
3. Membership card.
4. Intangible assets: Including patents, copyrights, trademarks, franchises, and other intangible assets.
5. Right-of-use assets.
6. Credit rights of financial institutions (including accounts receivable, foreign exchange discounts and loans, and collection items).
7. Derivatives.
8. Acquisition or disposal of assets through legal mergers, demergers, acquisitions, or share transfer.
9. Other important assets.

**Article 2-1.** The terms used in this procedure are defined as follows:

1. Derivatives: These refer to forward contracts, options contracts, futures contracts, leveraged margin contracts, and swap contracts whose values are derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables; combinations of these contracts; or hybrid contracts or structured products embedded with derivatives. The term "forward contract" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sales) contracts.
2. Acquisition or disposal of assets resulting from mergers, demergers, acquisitions, or share transfer in accordance with the law: This refers to the acquisition or disposal of assets resulting from mergers, demergers, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or share transfer by issuing new shares to acquire another company's shares in accordance with Article 156-3 of the Company Act (hereinafter referred to as share transfer).
3. Related parties and subsidiaries: These should be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Professional appraiser: This refers to real estate appraisers or others who are legally authorized to engage in real estate and equipment appraisal services.
5. Date of occurrence: This refers to the earliest date among the contract signing date, payment date, commission transaction date, transfer date, board meeting date, or any other date sufficient to determine the counterparty and transaction amount. However, for investments that require regulatory approval, the earlier of the aforementioned date or the date on which regulatory approval is obtained shall prevail.
6. Investment in mainland China: This refers to investments in mainland China as permitted by the Department of Investment Review, Ministry of Economic Affairs under the regulations governing investment or technical cooperation in mainland China.
7. The term "company net worth" refers to the amount of equity attributable to the company as shown in the most recent financial statements publicly audited or reviewed by an accountant before the acquisition or disposal of assets.

**Article 3.** Investment limits for non-operating real estate, their right-of-use assets, and securities.

The Company and its subsidiaries have set the individual acquisition limits for the aforementioned assets as follows:

1. The total amount of non-operating real estate and its right-of-use assets shall not exceed fifty percent (50%) of the net worth.
2. The total amount of investment in securities must not exceed one hundred percent (100%) of the net worth.
3. The amount of investment in individual securities must not exceed fifty percent (50%) of the net worth.
4. To focus on core business development, the quotas for the securities mentioned in items 2. and 3. refer to investments in securities that are neither listed on stock exchanges nor traded at securities brokerages, and are limited to companies (including subsidiaries) related to the Company's industry.

**Article 4.** The Company obtains appraisal reports or opinions from accountants, lawyers, or securities underwriters. These professional appraisers and their personnel, accountants, lawyers, or securities underwriters shall comply with the following regulations:

1. Never convicted of any violation of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business and Accounting Act, or crimes such as fraud, breach of trust, embezzlement, document forgery, or any other business-related criminal activities, resulting in a definitive sentence of more than one 1. year imprisonment. However, those who have completed their sentences, have had their probation periods expire, or have been pardoned for more than three3. years are not subject to this limit.
2. The transaction parties must not be related parties or have substantial relationships with related parties.



3. If the Company is required to obtain valuation reports from two or more professional appraisers, the different professional appraisers or valuation personnel must not be related parties or have a substantial relationship with each other.

When issuing appraisal reports or opinions, the aforementioned personnel shall comply with the provisions of Article 5-2 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

**Article 5.** When the Company submits transactions related to the acquisition or disposal of assets for discussion by the board of directors as per regulations, the opinions of each independent director should be fully considered. If an independent director has dissenting or reserved opinions, these should be recorded in the minutes of the board of directors meeting.

The Company has established an audit committee in accordance with the Securities Exchange Act. Any material asset or derivatives transaction must be approved by more than half of the audit committee members and then submitted to the board of directors for resolution. If it is not approved by more than half of the audit committee members, it may be conducted with the consent of more than two-thirds of all directors, and the resolution of the audit committee must be recorded in the minutes of the board of directors meeting.

The entirety of the audit committee members and the entirety of the directors referred to are calculated based on those actually in office.

A material asset or derivatives transaction should be approved by the audit committee and submitted to the board of directors for resolution.

The term "all members of the audit committee" and "all directors" referred to in the preceding paragraph are calculated based on those actually in office.

**Article 6.** If the Company acquires or disposes of assets through court auction procedures, it may replace the appraisal report or accountant's opinion with certification documents issued by the court.

**Article 7.** Procedures for the Acquisition or Disposal of Real Estate, Equipment, or Right-of-Use Assets

1. Evaluation and Operating Procedures

The Company's acquisition or disposal of real estate, equipment, or their right-of-use assets, including the methods of price determination, reference basis, transaction process, etc., shall be handled in accordance with the Company's internal control system for property, plant, and equipment cycle procedures.

2. Procedure for Deciding Transaction Qualifications and Authorization Limits

- (1) For the acquisition or disposal of real estate or its right-of-use assets, the transaction qualifications and transaction price should be determined by referring to the announced current value, appraised value, and actual transaction prices of nearby real estate. An analysis report should be prepared, and the procedures should be carried out in accordance with the tiered responsibility regulations.

- (2) The acquisition or disposal of equipment or its right-of-use assets

should be carried out by means of inquiry, comparison, negotiation, or bidding, and handled in accordance with the tiered responsibility regulations.

3. Executing Unit

When the Company acquires or disposes of real estate, equipment, or its right-of-use assets, it should follow the approval authority mentioned in the preceding section. Execution is then handled by the operating department and the management department.

4. Valuation Report of Property, Equipment, or Right-of-use Assets

The Company, when acquiring or disposing of real estate, equipment, or its right-of-use assets, except for transactions with government agencies, self-built facilities on owned land, leased land commissioned construction, or acquiring and disposing of machinery and equipment for business use, that reach twenty percent (20%) of the Company's Paid-in Capital or NT\$300 million or more, shall obtain an appraisal report from a professional appraiser before the occurrence of the event and comply with the following regulations:

- (1) In cases where a limited price, specific price, or special price needs to be used as the reference basis for the transaction price due to special reasons, such a transaction should first be approved by a resolution of the board of directors. Any future changes to the transaction qualifications should follow the same procedures.
- (2) For transaction amounts exceeding NT\$1 billion, at least two professional appraisers should be consulted for valuation.
- (3) If any of the following circumstances occur in the valuation results provided by a professional appraiser, except in cases where the valuation result for the acquired asset is higher than the transaction amount, or the valuation result for the disposed asset is lower than the transaction amount, an accountant should be consulted to provide a specific opinion on the reason for differences and the fairness of the transaction price:
  - A. If the difference between the valuation result and the transaction amount exceeds twenty percent (20%) of the transaction amount.
  - B. When the valuation results of more than two professional appraisers differ by more than ten percent (10%) of the transaction amount.
- (4) The issuance date of the professional appraiser's report and the contract establishment date must not exceed three months. However, if the present value applicable to the same announcement period is valid and not older than six months, a letter of opinion may be issued by the original professional appraiser.

**Article 8.** Procedure for Acquisition or Disposal of Securities

1. Evaluation and Operating Procedures

The purchase and sale of the Company's long-term and short-term securities are conducted in accordance with the investment cycle operations of the Company's internal control system.

2. Procedure for Deciding Transaction Qualifications and Authorization Limits

For the trading of listed, OTC, and emerging market securities that are not conducted on the stock exchange or at securities brokerages, the most recent financial statements audited or reviewed by an accountant of the target company should be obtained before the transaction date as a reference for evaluating the transaction price. Considerations should include the company's per share net worth, profitability, and future development potential, and procedures should be handled according to the tiered responsibility regulations.

3. Executing Unit

When the Company invests in long-term and short-term securities, it should follow the approval authority levels described above, after which the finance and accounting department will be responsible for execution.

4. Obtaining Expert Opinions

If the Company acquires or disposes of securities and the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or exceeds NT\$ 300 million, it should consult an accountant for an opinion on the reasonableness of the transaction price prior to the occurrence of the fact. However, securities with active market quotations or as otherwise stipulated by the competent authority are not subject to this limit.

**Article 9.** Processing Procedures for the Acquisition or Disposal of Membership Certificates or Intangible Assets or Its Right-of-Use Assets

1. Evaluation and Operating Procedures

The Company acquires or disposes of membership certificates or intangible assets or its right-of-use assets, as directed by the CEO, with the responsible person or a designated project team in charge of evaluation and execution.

2. Procedure for Deciding Transaction Qualifications and Authorization Limits

(1) The acquisition or disposal of membership certificates should draw reference from the fair market value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be conducted in accordance with the tiered responsibility regulations.

(2) The acquisition or disposal of intangible assets should refer to expert evaluation reports or the market fair value for transaction terms and prices. An analysis report should be prepared and all relevant matters should be handled in accordance with the tiered responsibility regulations.

3. Executing Unit

When the Company acquires or disposes of membership certificates, intangible assets, or its right-of-use assets, such matters shall be reviewed and approved according to the aforementioned authority, and

executed by the operating department and finance and accounting department.

4. Expert Evaluation Report on Membership Certificates or Intangible Assets or Its Right-of-Use Assets

If the Company acquires or disposes of membership certificates, intangible assets, or its right-of-use assets, and the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NT\$ 300 million or more, except for transactions with domestic government agencies, an accountant's opinion on the reasonableness of the transaction price shall be obtained before the occurrence.

**Article 9-1.** The calculation of the first three transaction amounts shall be handled in accordance with the provisions of Subparagraph 4, Paragraph 1, Article 14. The term "within one year" refers to the year retroactively calculated from the date of occurrence of the current transaction. Parts that have already obtained an appraisal report from a professional appraiser or an opinion from an accountant in accordance with these processing procedures do not need to be recalculated.

**Article 10.** Related Party Transaction Procedures

1. When the Company acquires or disposes of assets with related parties, in addition to carrying out related resolution procedures and evaluating the reasonableness of transaction qualifications in accordance with Articles 7 to 9 and this article, if the transaction amount reaches more than ten percent (10%) of the Company's total assets, it should also obtain an appraisal report from a professional appraiser or an opinion from an accountant in accordance with Articles 7 to 9. The calculation of transaction amounts shall be conducted in accordance with the provisions of Article 9-1. In addition to considering the legal form when determining whether a counterparty is a related party, the substance of the relationship should also be taken into account.
2. Evaluation and Operating Procedures
  - (1) The Company shall submit the following data to the audit committee and the board of directors for approval before signing the transaction contract and making any payments when acquiring or disposing of real estate or the right-of-use assets thereof from or to related parties, or when acquiring or disposing of other assets from or to related parties where the transaction amount reaches twenty percent (20%) of the company's paid-in capital, ten percent (10%) of the total assets, or NT\$300 million or more:
    - A. The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
    - B. Reasons for selecting related parties as transaction counterparts.
    - C. Relevant information for assessing the reasonableness of the predetermined transaction qualifications for acquiring real estate or its right-of-use assets from related parties in accordance with the provisions of Subparagraphs 1 to 6 of this

paragraph.

- D. The original acquisition date and price by the related party, the counterparty of the transaction, and the relationship between the company and related parties.
  - E. Cash flow forecast tables for each month of the upcoming year starting from the expected contract month, and assessment of the necessity of transactions and the reasonableness of fund utilization.
  - F. The appraisal report provided by the professional appraiser obtained in accordance with the provisions of the first paragraph of this article, or the opinion of the accountant.
  - G. Restrictions and other important terms and conditions of this transaction.
- (2) The Company, its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds one hundred percent (100%) of the issued shares or total capital may engage in the following transactions. The board of directors may authorize the chairperson to make decisions within a certain limit in advance, which shall be submitted for ratification by the most recent board of directors thereafter.
- A. Acquisition or disposal of equipment or its right-of-use assets for business use.
  - B. Acquisition or disposal of right-of-use assets of real estate for business use.
- (3) If the Company or its non-publicly traded subsidiary engages in a transaction described in Subparagraph 1 of Paragraph 2 where the transaction amount exceeds ten percent (10%) of the Company's total assets, the Company must submit the information specified in Subparagraph 1 of Paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making any payments. However, this does not apply to transactions between the Company and its parent company, subsidiaries, or between its subsidiaries.
- (4) The calculation of the aforementioned transaction amount shall be handled in accordance with the provisions of Subparagraph 1, Paragraph 1, Article 14. The term "within one year" is based on the date of occurrence of the current transaction and is calculated by tracing back one year. Portions that have already been submitted to the shareholders' meeting, audit committee, and board of directors for approval according to these processing procedures are exempt from being included again.
3. Assessment of Reasonableness of Transaction Costs for Acquiring Real Estate from Related Parties
- (1) When the Company acquires real estate or its right-of-use assets from related parties, the transaction cost should be evaluated for reasonableness according to the following methods:

- A. The transaction price with related parties as well as necessary funding interest and costs that must be borne by the buyer according to the law. The necessary capital interest cost is calculated based on the weighted average interest rate of the loans taken out in the year the Company purchased the assets, but it cannot exceed the highest lending rate for non-financial industries announced by the Ministry of Finance.
  - B. If a related party has once used the subject matter as collateral for a mortgage loan with financial institutions, the total assessed loan amount by the financial institutions for the subject matter, however, should be seventy percent (70%) or more of the assessed loan amount and the loan period must have been over one year. But when financial institutions and one party of the transaction are related parties, it is not applicable.
- (2) For the combined purchase of the same target land and building, the transaction cost may be evaluated separately for the land and building based on any of the methods listed above.
- (3) When the Company acquires real estate or other usage rights assets from a related party, the real estate cost shall be assessed in accordance with the provisions of Subparagraphs 1 and 2, Paragraph 3 of this article. Additionally, an accountant should be consulted for review and specific opinions.
- (4) The Company acquiring real estate or its right-of-use assets from related parties under any of the following circumstances shall handle the matter in accordance with Paragraph 2 of this article and is not subject to the provisions of Subparagraphs 1 to 3 of Paragraph 3 of this article:
  - A. Related parties acquire real estate or their right-of-use assets through inheritance or gift.
  - B. The time interval between the contract signing date of acquiring real estate or its right-of-use assets by a related party and the current transaction contract signing date has exceeded five years.
  - C. Signing joint construction contracts with related parties, or commissioning related parties to build real estate through self-owned land commissioning or leased land commissioning, and thereby acquiring real estate.
  - D. The Company and its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds one hundred percent (100%) of the issued shares or total capital, acquire real estate and right-of-use assets for business operations among one another.
- (5) When the Company evaluates both according to Subparagraphs 1 and 2 of Paragraph 3 of this article and the evaluation results are lower than the transaction price, the Company shall handle the

matter in accordance with Subparagraphs 5 to 7 of Paragraph 3 of this article. Except in the following circumstances where objective evidence and professional real estate appraisal with specific reasonable opinions from accountants are provided:

- A. If a related party acquires bare land or leases land for construction, they may provide evidence of meeting one of the following qualifications:
    - (a) Based on the methods stipulated in Subparagraphs 1 to 4 of Paragraph 3 of this article, the evaluation for land is conducted. As for buildings, the evaluation is based on the construction cost of related parties plus reasonable construction profit, if the total amount exceeds the actual transaction price. The term "reasonable construction profit" shall be based on the lower of the average gross profit margin of the related parties' construction division over the most recent three years or the most recent gross profit margin of the construction industry announced by the Ministry of Finance.
    - (b) For the same target property's other floors or nearby areas, where there are transactions by other unrelated parties within one year, with similar area, and the transaction qualifications are comparable after evaluating the reasonable floor or area price difference according to real estate trading practices.
  - B. The Company provides evidence that the real estate purchased from related parties or the leasing of real estate and right-of-use assets has transaction conditions comparable to those of other non-related parties in the vicinity within the past year and similar in area.
- (6) The aforementioned comparable cases in neighboring areas should, in principle, be within the same or adjacent blocks and within five hundred meters of the transaction target or have a similar announced current value. The term "similar area" refers to non-related party transaction cases with an area not less than fifty percent (50%) of the transaction target area. The term "within one year" is based on the date the real estate transaction occurs and is calculated retrospectively for one year.
- (7) If the Company acquires real estate or its right-of-use assets from related parties, and the evaluation results according to Subparagraphs 1 to 6 of Paragraph 3 of this article are all lower than the transaction price, the following matters shall be handled:
- A. The Company shall allocate a special reserve for the difference between the transaction price of real estate and the appraisal cost in accordance with the provisions of Paragraph 1, Article 41 of the Securities Exchange Act. This amount shall not be distributed or capitalized as stock dividends. For investors

valuing their investment in a company using the equity method, if the investor is a public company, a special surplus reserve should also be allocated based on the percentage of ownership according to Paragraph 1, Article 41 of the Securities and Exchange Act.

B. The independent directors of the audit committee shall be handled in accordance with the provisions of Article 218 of the Company Act.

C. The situation described in Items 1 and 2 of Subparagraph 7, Paragraph 3 of this article shall be reported to the shareholders' meeting, and the transaction details shall be disclosed in the annual report and prospectus.

(8) When the Company allocates a special surplus reserve in accordance with Subparagraph 7, Paragraph 3 of this article, it may utilize the special surplus reserve only after high-priced purchased assets have recognized impairment losses or have been disposed of, properly compensated for or restored to their original state, or there is other evidence confirming no unreasonable circumstances, and with the approval of the competent authority.

(9) If the Company acquires real estate or its right-of-use assets from related parties, and there is evidence indicating that the transaction is not in compliance with standard business practices, it should also be handled in accordance with Subparagraphs 7 and 8 of Paragraph 3 of this article.

**Article 11.** Procedures for the Acquisition or Disposal of Claims from Financial Institutions

The Company does not engage in the acquisition or disposition of Financial Institutions' claims in principle. However, if the Company decides to engage in the acquisition or disposition of financial institutions' claims in the future, it will first establish evaluation and operational procedures. These procedures will then be submitted to the board of directors for approval. Subsequently, they will be implemented after receiving approval from the shareholders' meeting.

**Article 12.** Procedures for Engaging in Derivatives Trading

The Company does not engage in derivatives trading in principle. However, if the Company decides to engage in derivatives trading in the future, it will first establish evaluation and operational procedures. These procedures will then be submitted to the audit committee and the board of directors for approval. Subsequently, they will be implemented after receiving approval from the shareholders' meeting.

**Article 13.** Procedures for the Processing of Mergers, Demergers, Acquisitions, or Transfer of Shares

1. Evaluation and Operating Procedures

(1) When the Company handles mergers, demergers, acquisitions, or share transfer, it is advisable to consult with lawyers, accountants, and underwriters to jointly discuss the statutory procedures and



the expected timeline. A project team is to be organized to execute these in accordance with legal procedures. Before convening a board of directors resolution, accountants, lawyers, or underwriters should be invited to express their opinions on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property to be distributed to shareholders, and submit the results to the board of directors for discussion and approval.

- (2) The Company shall prepare a public document for shareholders containing the significant terms and related matters regarding the merger, demerger, or acquisition before the shareholders meeting. This document, along with the expert opinion mentioned in Subparagraph 1, Paragraph 1 of this article and the shareholders' meeting notice, shall be delivered to the shareholders as a reference for their decision on whether to agree to the merger, demerger, or acquisition. However, exceptions are made for mergers, demergers, or acquisitions that can be approved without convening a shareholders' meeting as stipulated by other laws. In addition, if the shareholders' meeting of any party involved in a merger, demerger, or acquisition cannot convene, resolve, or if the proposal is rejected due to insufficient number of people present, voting rights or other legal restrictions, the company participating in the merger, demerger, or acquisition shall immediately publicly explain the reasons, subsequent processing, and the expected date of the shareholders' meeting.

## 2. Other Notable Items

- (1) Board meeting date: Except as otherwise stipulated by other laws or when special factors exist that have been pre-approved by the competent authority, companies participating in mergers, demergers, or acquisitions should convene their board of directors and shareholders' meeting on the same day to resolve matters related to mergers, demergers, or acquisitions. Unless otherwise specified by other laws or approved in advance due to special factors by the competent authority, the company participating in the share transfer should convene a board of directors meeting on the same day.
- (2) Confidentiality commitment in advance: All individuals involved in or aware of the Company's merger, demerger, acquisition, or share transfer plans shall issue a written confidentiality commitment. Before the information is disclosed publicly, they shall not divulge any contents of the plan, nor should they trade the stocks and any other equity-type securities of all companies related to the merger, demerger, acquisition, or share transfer plan on their own or under the name of others.
- (3) Principles for determining and changing the share swap ratio or

acquisition price: Companies involved in mergers, demergers, acquisitions, or share transfer should engage accountants, lawyers, or securities underwriters to provide opinions on the reasonableness of the share swap ratio, acquisition price, or the distribution of cash or other properties to shareholders before both parties' board of directors meetings, and submit the opinions to the shareholders' meeting. In principle, the exchange ratio or acquisition price shall not be arbitrarily changed, except when the conditions for change have been stipulated in the contract and publicly disclosed. The conditions for changing the exchange ratio or acquisition price are as follows:

- A. Conducting cash capital increase, issue convertible bonds, gratis dividends, issue corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity-type securities.
  - B. Disposal of the Company's significant assets and other actions affecting the Company's financial operations.
  - C. The occurrence of major disasters, significant technological changes, and other events affecting the equity of the Company's shareholders or the price of its securities.
  - D. Adjustment of treasury stock repurchase by any party to the merger, demerger, acquisition, or share transfer.
  - E. Changes in the number or entities involved in mergers, demergers, acquisitions, or share transfer.
  - F. The other qualifications that can be modified in the contract have been publicly disclosed.
- (4) Contractual contents: A contract for the merger, demerger, acquisition, or share transfer of a company, in addition to complying with Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, shall specify the following matters.
- A. Handling of breach of contract.
  - B. Principles for processing equity-type securities issued or treasury stocks repurchased by companies that have been dissolved or demerged due to a merger.
  - C. The quantity of treasury shares that may be repurchased in accordance with the law after the base date for calculating the stock exchange ratio of the company and the principles for their processing.
  - D. The procedures for addressing changes in the number or participants involved.
  - E. Planned project execution progress and estimated completion schedule.
  - F. When the plan is not completed by the deadline, the relevant processing procedures, including the scheduled date for convening the shareholders' meeting, shall be carried out in

accordance with the law.

- (5) When there are changes in the number of companies participating in mergers, demergers, acquisitions, or share transfer: If any of the companies involved in the merger, demerger, acquisition, or share transfer intends to merge, demerge, acquire, or transfer shares with other companies after the information has been publicly disclosed, unless the number of participating companies decreases, and the shareholders' meeting has resolved and granted the board of directors the authority to make changes, the participating companies must reconvene the shareholders' meeting for a new resolution. In the original case of merger, demerger, acquisition, or share transfer, any completed procedures or legal acts must be redone by all participating companies.
- (6) If the companies participating in mergers, demergers, acquisitions, or share transfer are not public companies, the Company shall enter into an agreement with them and handle the matter in accordance with the provisions of Subparagraphs 1, 2, 5, 8, and 9.
- (7) When the Company participates in mergers, demergers, acquisitions, or share transfer, it shall create complete written records of the following information and preserve them for five years for audit purposes:
  - A. Basic personnel information: Including the title, name, and ID number (or passport number for foreigners) of all participants in the merger, spin-off, acquisition, or share transfer plans or plan execution before the release of the information.
  - B. Dates of important matters: Including the dates of signing letters of intent or memoranda, appointing financial or legal advisors, signing contracts, and board of directors meetings.
  - C. Important documents and minutes: Including mergers, demergers, acquisitions, or share transfer plans, letters of intent or memoranda, important contracts, and board of directors meeting minutes.
- (8) When the Company engages in mergers, demergers, acquisitions, or share transfer, it shall report the information mentioned in Items 1 and 2 in the prescribed format through the internet information system within two days from the date of the board of directors' resolution.
- (9) If the participating company in the merger, demerger, acquisition, or share transfer is not a listed company or one traded on the securities brokerages, the Company shall enter into an agreement with it and handle the matter according to the provisions of Subparagraphs 7 and 8.

**Article 14.** Information Disclosure Procedures

1. Public Filing Items and Standards

- (1) Acquisition or disposal of real estate or its right-of-use assets from related parties, or acquisition or disposal of other assets outside of real estate or its right-of-use assets from related parties, with a transaction amount reaching twenty percent (20%) of the company's paid-in capital, ten percent (10%) of the total assets, or exceeding NT\$300 million. However, this does not apply to the trading of government bonds or bonds with repurchase or sell-back conditions, and the subscription or redemption of domestic money market funds.
- (2) Mergers, demergers, acquisitions, or transfer of shares.
- (3) Losses from derivative commodity trading reaching the total or individual contract loss limit amount as stipulated in the established processing procedures.
- (4) Acquisition or disposal of equipment or its right-of-use assets for business operations, where the transaction counterpart is not a related party, and the transaction amount exceeds NT\$500 million.
- (5) Acquisition of real estate through methods such as construction on owned land, construction on leased land, joint construction and division of property, joint construction and profit sharing, and joint construction and sale, where the transaction counterpart is not a related party, and the company plans to invest an amount of NT\$500 million or more.
- (6) Asset transactions, financial institutions' disposal of claims, or investment in mainland China, other than the first five items, where the transaction amount reaches twenty percent (20%) of the company's paid-in capital or exceeds NT\$ 300 million. However, the following situations are not subject to this limit:
  - A. The purchases and sales of domestic government bonds or foreign government bonds with a credit rating not lower than our sovereign rating.
  - B. The purchase and sale of bonds with repurchase agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (7) The calculation method for the transaction amounts mentioned in the preceding Subparagraphs 1 to 6 is as follows: A one-year period is calculated from the date of occurrence of the current transaction, looking back one year. Transactions that have already been announced according to the regulations are exempt from being included again.
  - A. Amount per transaction.
  - B. The amount of transactions involving the acquisition or disposal of the same nature of the subject with the same counterparty accumulated within one year.
  - C. The total amount of acquisition or disposal (cumulative separately for acquisition and disposal) of real estate or its

right-of-use assets for the same development project accumulated within one year.

- D. The amount accumulated within one year for acquiring or disposing of (accumulated separately for acquisition and disposal) the same security.

2. Time Limit for Announcements and Reports

When the Company acquires or disposes of assets under the circumstances specified in Paragraph 1 of this article, it shall handle public announcement and reporting in the prescribed format within two days from the date of occurrence.

3. Procedures for Announcement and Reporting

- (1) The Company shall announce and report relevant information on the website designated by the competent authority.

- (2) The Company, in accordance with regulations, shall re-announce and report all items within two days from the date of knowledge if there are errors or omissions in the announced items that need correction.

- (3) For the Company's acquisition or disposal of assets, the relevant contracts, minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters should be kept at the Company for at least five years, unless otherwise required by other laws.

- (4) After the Company announces and reports a transaction in accordance with this article, if any of the following circumstances occurs, it must announce and report the relevant information on the website designated by the competent authority within two days from the date of the incident occurrence:

- A. Modifications, terminations, or cancellations of the original contracts related to the transaction.

- B. The merger, demerger, acquisition, or share transfer has not been completed according to the scheduled date in the contract.

- C. Changes have been made to the original announcement and reporting.

**Article 15.** The Company's subsidiaries shall comply with the following provisions:

- 1. The Company shall urge its subsidiaries to establish and implement the Procedure for Acquisition and Disposal of Assets in accordance with the relevant provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- 2. When a subsidiary acquires or disposes of assets, it should also comply with the Company's regulations.
- 3. If the subsidiary is not a public company and the acquisition or disposal of assets reaches the announcement and reporting standards set by the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company should handle the announcement and reporting on behalf of the subsidiary.

4. In the announcement and reporting standards for subsidiaries, the term "reaching twenty percent (20%) of the company's paid-in capital or ten percent (10%) of total assets" is based on the paid-in capital or total assets of the Company.

**Article 16. Penalties**

Employees of the Company who handle the acquisition and disposal of assets in violation of the procedures will be reported for evaluation according to the Company's work regulations and will be punished based on the severity of the violation.

**Article 17. Implementation and Revision**

The Company's Procedure for Acquisition and Disposal of Assets is implemented after being approved by the audit committee, passed by the board of directors, and submitted to and approved by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. When submitting the Procedures for Acquisition or Disposal of Assets for discussion at the board of directors meeting, full consideration should be given to the opinions of all independent directors. If independent directors express dissenting or reserved opinions, such opinions should be documented in the board of directors meeting minutes.

When reporting to the audit committee for discussion according to the preceding provisions, it must be approved by more than half of all members of the audit committee. If it is not approved by more than half of all members of the audit committee, it may be implemented with the consent of two-thirds or more of all directors and should be recorded in the minutes of the board of directors' meeting along with the resolution of the audit committee.

The entirety of the audit committee members and the entirety of the directors referred to are calculated based on those actually in office.

**Article 18. Appendix**

For matters not addressed in the procedures, they shall be handled in accordance with relevant regulations.

**Article 19. The procedures were established on May 29, 2019.**

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

The 2nd amendment was made on June 15, 2022.

The 3rd amendment was made on June 15, 2023.

## 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.

Record date: August 27, 2024

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	Jun-An Chang	0	0%
Total		4,170,722	13.38%