



Stock Code: 6771

Ping Ho Environmental Technology Co., Ltd.

2025 Annual General Shareholders' Meeting

Meeting Handbook

Date: June 25, 2025

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 2025 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF Ping Ho Environmental Technology Co., Ltd. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Ping Ho Environmental Technology Co., Ltd.
2025 Annual General Shareholders' Meeting

Meeting Procedure

1. Call the Meeting to Order

2. Chairman's Address

3. Report Items

4. Ratification Items

5. Discussion Items

6. Elections

7. Other Proposals

8. Extemporaneous Motions

9. Meeting Adjournment

Ping Ho Environmental Technology Co., Ltd.

2025 Annual General Shareholders' Meeting

Meeting Agenda

Time: 9:00 a.m. on Wednesday, June 25, 2025

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

Type of Meeting: Physical Shareholders' Meeting

1. Call the Meeting to Order: (Announce the number of shares in attendance)
2. Chairman's Address
3. Report Items
 - (1) Report on the business of 2024.
 - (2) Report by Audit Committee on review of the 2024 Audited Financial Statements.
 - (3) Report on the 2024 distribution of employees' and directors' compensation.
 - (4) Report on the 2024 earnings distribution of cash dividend.
 - (5) Report on the issuance of the first domestic Secured Convertible Corporate Bonds.
4. Ratification Items
 - (1) Ratification of the 2024 Business Report and Financial Statements.
 - (2) Ratification of the 2024 earnings distribution plan.
5. Discussion Items
 - (1) Discussion of revision of the Articles of Incorporation.
6. Elections
 - (1) To re-elect the members of the Board of Directors of the Company.
7. Other Proposals
 - (1) Waiver of non-compete restriction for newly elected directors of the Company.

8. Extemporaneous Motions

9. Meeting Adjournment

Report Items

Item 1: Report on the business of 2024.

Description:

The 2024 Business Report, please refer to Attachment 1(pages 8 to 10).

Item 2: Report by Audit Committee on review of the 2024 Audited Financial Statements.

Description:

The Audit Committee's Review Report, please refer to Attachment 2(page 11 to 12).

Item 3: Report on the 2024 distribution of employees' and directors' compensation.

Description:

- (1) The Board of Directors approved the 2024 employees' and directors' compensation on March 11, 2025.
- (2) In 2024, before accounting for employees' and directors' compensation, the company's pre-tax net profit amounted to NT\$156,041,376. Of this, NT\$10,995,345 was allocated for employee bonuses and NT\$1,570,763 for directors' compensation, both distributed in cash.

Item 4: Report on the 2024 earnings distribution of cash dividend.

Description:

- (1) In accordance with Article 24 of the Articles of Incorporation, the Board of Directors is authorized to make a resolution and report to the shareholders' meeting when distributing dividends and bonuses in cash.
- (2) The Board of Directors approved a cash dividend distribution of 2024 is as follows:

2024	Board Meeting Dates	Dividend Per Share	Total Amount
First Half of the Year	2024/11/06	0	0
Second Half of the Year	2025/05/12	3.5	109,128,250
Total Amount		3.5	109,128,250

Note: The cash dividends will be calculated to the nearest NT dollar.

The remainder will be transferred into the account of "other non-operating revenue".

- (3) The ex-dividend date for the cash dividend distribution of the company's earnings for the second half of 2024 is July 2, 2025, and the payment date is July 22, 2025.

Item 5: Report on the issuance of the first domestic Secured Convertible Corporate Bonds.

Description:

The capital increase for the subsidiary and to repay bank loans and strengthen operational capital, the company issued the first domestic Secured Convertible Corporate Bonds in 2025 on May 8, 2025, with a total value of NT\$350 million. For details on the bond issuance, please refer to Attachment 3 (page 13 to 14).

Ratification Items

Proposal 1: Ratification of the 2024 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Description:

1. The company's 2024 Business Report and Financial Statements (including Consolidated Financial Statements and Individual Financial Statements) have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The Financial Statements have been audited by Kuo-Sen Hung and Tzu-Ping Huang from Ernst & Young Taiwan.
3. The 2024 Business Report, Independent Audit Report, and Financial Statements for 2024, please refer to Attachment 1 (pages 8 to 10) and Attachment 4 (pages 15 to 30).

Resolution:

Proposal 2: Ratification of the 2024 earnings distribution plan.
(Proposed by the Board of Directors)

Description:

The 2024 earnings distribution plan of the company has been reviewed by the Audit Committee and approved by the Board of Directors in 2024. The 2024 Earnings Distribution Table, please refer to Attachment 5 (page 31).

Resolution:

Discussion Items

Proposal 1: Discussion of revision of the Articles of Incorporation.
(Proposed by the Board of Directors)

Description:

1. In order to conform to the needs of commercial practice and amendments to related commercial laws, 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 6(pages 32 to 37).

Resolution:

Elections

Proposal 1: To re-elect the members of the Board of Directors of the Company.
(Proposed by the Board of Directors)

Description:

1. The term of office for the company's directors will expire on June 14, 2025, and it is proposed to conduct a comprehensive re-election at the 2025 shareholders' annual meeting.
2. According to the company's Articles of Association, the Board of Directors shall consist of 7 to 9 members, with the number of independent directors not fewer than 3 and not less than one-fifth of the total number of director seats. The term of office is three years, and re-election is allowed. The election of directors (including independent directors) shall follow the candidate nomination system, with shareholders electing from the list of nominated candidates.
3. It is proposed to conduct a comprehensive re-election of 7 directors (including 3 independent directors) at this year's shareholders' annual meeting. The newly elected directors and independent directors will assume office from the date of their election. Their term will be for three years, from June 25, 2025, to June 24, 2028.
4. The list of candidates for directors and independent directors was approved by the Board of Directors on March 11, 2025. For relevant information such as educational background, work experience, and shareholding details, please refer to Attachment 7(page 38 to 40).
5. This election is conducted in accordance with the company's "Rules for Election of Directors." , please refer to Appendices 3(page 66 to 69).

Election results:

Other Proposals

Proposal 1: Proposal of Release the Prohibition on Directors from Participation in Competitive Business.
(Proposed by the Board of Directors)

Description:

1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Due to the fact that certain directors of the company may have investments in or operate other companies within the same or similar business scope as the company, and hold positions as directors or representatives in those companies, and provided that such actions do not harm the interests of the company, it is hereby proposed for approval at this year's shareholders' annual meeting. The proposal is to lift the non-compete restriction for any newly elected directors who are involved in the aforementioned situation.
3. The positions concurrently held in other companies of Director and Independent Director, please refer to Attachment 8(page 41).

Resolution:

Extemporaneous Motions

Meeting Adjournment

Ping Ho Environmental Technology Co., Ltd.

2024 Business Report

In 2024, the worldwide economic growth rate declined compared to the previous year, largely influenced by various adverse factors including global inflation, escalating pressures from interest rate hikes, and the ongoing standoff between Ukraine and Russia. As a result, the company's clients inevitably felt the impact, leading to a decrease in production. The decline in the company's revenue for 2024 primarily stemmed from reduced wastewater treatment volumes. Nevertheless, despite confronting these obstacles, the company successfully implemented various cost-cutting measures and consistently optimized its product portfolio, resulting in only a minor decline in profit compared to 2023.

Looking towards 2025, organizations such as the IMF anticipate a resurgence in global trade volume. Coupled with the continued interest in emerging technology applications and the gradual normalization of supply chain inventory levels, this is expected to bolster export momentum. Economic growth prospects for the year seem promising. However, caution is warranted due to the deceleration in China's economy and the increasing geopolitical risks. Within the company, variations in end-user demand could potentially influence production, thereby impacting on our water intake. The company is dedicated to closely monitoring customer conditions and adapting our strategies accordingly.

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

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

I. 2024 Business Report

(I) The implementation results of the business plan:

The consolidated operating revenue of the company was 635,001 thousand dollars, with a consolidated operating net profit of 162,416 thousand dollars in 2024. The net profit after tax attributable to the company was 118,280 thousand dollars, resulting in an EPS of \$3.89.

(II) Budget Execution Status:

Our company did not publish financial forecasts for 2024, hence the application of budget attainment is not applicable.

(III) Financial Stability and Profitability Analysis:

(In thousands of New Taiwan dollars)

Item		2023	2024
Financial Revenue	Operating Revenue	609,242	635,001
	Gross Profit	294,632	292,983
	Net Operating Revenue	173,266	162,416
Profitability	Return on Assets (%)	11%	9%
	Return on Equity (%)	19%	15%
	Capitalization Ratio (%)	Operating Profit	59% 52%
		Pre-Tax Income	56% 48%
	Net Profit Margin (%)	19%	22%
	Earnings Per Share (dollar)	4.76	3.89

(IV) Status of Research and Development:

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

II. Outline of Business Plan for the Year 2025

(I) Operational Strategy:

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

(II) Business Policy and Management:

1. Continuously monitor the quality of customer water and rigorously implement process controls to ensure compliance with regulatory

standards for discharged water.

2. Visit clients periodically to understand their needs, enabling us to stay informed about industry changes and take responsive measures.
3. Enhance technological development and application to expand the scope and range of customer industries.

III. Status of Sales Forecast Plan:

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

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

(I) The Future of Corporate Development Strategy:

1. Promote resource reuse to establish mutually beneficial partnerships with customers, emphasizing environmental sustainability.
2. Stay updated on environmental regulations and industry trends while deeply engaging in technical applications and developments to gain a competitive edge in the market.

(II) Impacted by the external competitive environment, regulatory framework, and overall business climate:

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

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report and Financial Statements. Among these, the Financial Statements have been audited by Ernst & Young Taiwan, and has issued an audit report. The above Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Ping Ho Environmental Technology Co., Ltd.

Chairman of the Audit Committee: Chi-Shan Hung

March 11, 2025

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Ping Ho Environmental Technology Co., Ltd.

Chairman of the Audit Committee: Chi-Shan Hung

May 12, 2025

Ping Ho Environmental Technology Co., Ltd.

The Issuance of the first Domestic Secured Convertible Corporate Bonds Issue in 2025

Corporate Bond Type	The first domestic Secured Convertible Corporate Bonds
Issue date	May 8 , 2025
Denomination	NT\$100,000
Issuing and transaction location	—
Issue price	100.5% at face value of the bonds
Total price	The total face value :NT\$350,000 thousand The total amount : NT\$351,750 thousand
Coupon rate	0%
Tenor	3 years Maturity: May 8, 2028
Guarantee agency	Taichung Commercial Bank Co., Ltd
Consignee	Chang Hwa Commercial Bank Ltd
Underwriting institution	Capital Securities Corp.
Certified lawyer	Derkai Attorney-at-Law Ciou,Shih-Fang
CPA	Ernst & Young Hung,Kuo-Sen 、 Huang,Tzu-Ping
Repayment method	Except for cases where the holders of these convertible bonds convert them into the company's common stock according to Article 10 of the regulations, or exercise the put option under Article 20 of the regulations, or the company redeems the bonds early according to Article 19 of the regulations, or the company repurchases and cancels the bonds through a securities firm, the company shall, within ten business days after the maturity date of the convertible bonds, repay the bondholders in cash at the face value of the bonds they hold.
Outstanding principal	NT\$350,000 thousand(As of May 19, 2025)
Terms of redemption or advance repayment	Please refer to Article 19 and Article 20 of the "Rules for Issuance and Conversion of the Company's the first domestic secured convertible corporate bonds."

Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		N/A
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	As of May 19, 2025, a total of 0 bonds have been converted, with a conversion amount of NT\$ 0, resulting in a cumulative conversion of 0 common shares.
	Issuance and conversion (exchange or subscription) method	Please refer to Article 19 and Article 20 of the "Rules for Issuance and Conversion of the Company's the first domestic secured convertible corporate bonds."
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		The company's bonds have a maturity period of three years. Since the timing of the conversion request by bondholders may vary, this will delay the dilutive effect on earnings per share caused by capital expansion. If the bonds are fully converted into common stock based on the conversion price, the company will need to issue an additional 5,833 shares of common stock, resulting in a dilution rate of 15.76%. However, the impact on shareholder equity is limited.
Transfer agent		None

2024 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated balance sheets of Ping Ho Environmental Technology Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and noted to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue Recognition

The main operating revenue of the Group comes from the wastewater treatment. Since there are numerous entrusted wastewater treatment customers, the existence and completeness of the transactions with the customers affect the amount and timing of revenue recognition. Therefore, we

identified the recognition of revenues as a key audit matter.

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

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

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

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

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

Auditors' responsibility for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing, we exercise professional

judgment and professional skepticism. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters of the Group that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

Ping Ho Environmental Technology Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2024 and 2023, and the unmodified auditors' reports have been issued for reference.

Ernst & Young Taiwan

The Competent Authority approves the public issuance of the company's financial statements.

Audit Verification	Financial-Supervisory-Securities-Auditing No.1100352201
Document Number:	Financial-Supervisory-Securities-Auditing No.1030025503

Auditor:	Kuo-Sen Hung
	Tzu-Ping Huang

March 11, 2025

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD., AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	ASSETS		December 31, 2024		December 31, 2023		Code	LIABILITIES AND EQUITY		December 31, 2024		December 31, 2023	
	Accounting Items	Notes	AMOUNT	%	AMOUNT	%		Accounting Items	Notes	AMOUNT	%	AMOUNT	%
1100	Current assets						2100	Current liabilities					
1100	Cash and cash equivalents	(4)/(6).1	\$207,151	15	\$156,888	12	2100	Short-term borrowings	(6).9	\$88,000	7	\$110,000	9
1110	Current financial assets at fair value through profit or loss	(4)/(6).2	42,471	3	—	—	2150	Bills payable		22,728	2	21,093	2
1136	Current financial assets at amortized cost	(4)/(6).3	25,000	2	60,000	5	2170	Accounts payable		9,928	0	9,283	0
1150	Bills receivable, net	(4)/(6).4	28,284	2	27,517	2	2200	Other payables		79,091	6	76,928	6
1170	Accounts receivable, net	(4)/(6).5	94,619	7	86,133	7	2220	Other payables - related parties	(7)	2,051	0	3,019	0
1180	Accounts receivable - related parties	(4)/(6).5/(7)	3,313	0	1,215	0	2230	Current tax liabilities	(4)/(6).19	22,202	2	18,392	1
1200	Other receivables	(4)	6,110	1	4,222	0	2322	Long-term borrowings - current portion	(6).10	45,209	3	48,679	4
1210	Other receivables - related parties	(4)/(7)	345	0	84	0	2399	Other current liabilities		64	0	1,066	0
1220	Current tax assets	(4)/(6).19	6	—	—	—	21xx	Total current liabilities		269,273	20	288,460	22
130x	Inventory	(4)/(6).6	3,127	0	2,849	0							
1410	Prepayments	(7)	25,538	2	22,941	2		Non-current liabilities					
1482	Current assets recognised from costs to fulfil contracts with customers	(6).14.2	1,426	0	—	—	2540	Long-term borrowings	(6).10	209,668	16	264,842	21
11xx	Total current assets		<u>437,390</u>	<u>32</u>	<u>361,849</u>	<u>28</u>	25xx	Total non-current liabilities		<u>209,668</u>	<u>16</u>	<u>264,842</u>	<u>21</u>
							2xxx	Total liabilities	(6).10	<u>478,941</u>	<u>36</u>	<u>553,302</u>	<u>43</u>
1600	Non-current assets												
1600	Property, plant, and equipment	(4)/(6).7/(7)/(8)	845,468	63	880,480	68		Equity attributable to owners of parent	(6).12				
1840	Deferred tax assets	(4)/(6).19	31,203	2	24,607	2	3100	Share Capital					
1990	Other non-current assets	(6.8)/(7)	<u>34,658</u>	<u>3</u>	<u>22,345</u>	<u>2</u>	3110	Common stock		311,795	23	291,795	23
15xx	Total non-current assets		<u>911,329</u>	<u>68</u>	<u>927,432</u>	<u>72</u>	3200	Capital surplus		261,215	19	146,721	11
							3300	Retained earnings					
							3310	Legal reserve		97,596	7	83,711	6
							3350	Undistributed earnings		190,836	14	203,668	16
								Total retained earnings		288,442	21	287,379	22
							31xx	Equity attributable to owners of parent		861,442	63	725,895	56
							36xx	Non-controlling interests	(4)/(6).12	8,336	1	10,084	1
							3xxx	Total equity		869,778	64	735,979	57
1xxx	Total assets		<u>\$1,348,719</u>	<u>100</u>	<u>\$1,289,281</u>	<u>100</u>	3xxx	Total liabilities and equity		<u>\$1,348,719</u>	<u>100</u>	<u>\$1,289,281</u>	<u>100</u>

(Refer to the Notes to the Consolidated Financial Statements)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD., AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	Notes	2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	(4)/(6).14(7)	\$635,001	100	\$609,242	100
5000	Operating costs	(6)6、16/(7)	(342,018)	(54)	(314,610)	(52)
5900	Gross profit		292,983	46	294,632	48
6000	Operating expense	(6).16、17/(7)				
6200	Administrative expenses		(115,865)	(18)	(107,525)	(18)
6300	Research and development expense		(14,702)	(2)	(13,841)	(2)
	Total operating expenses		(130,567)	(20)	(121,366)	(20)
6900	Net operating income		162,416	26	173,266	28
7000	Non-operating income and expenses	(6).18/(7)				
7100	Interest income		2,118	0	1,574	0
7010	Other income		914	0	1,265	0
7020	Other gains and losses		(7,027)	(1)	(1,031)	(0)
7050	Finance costs		(9,348)	(1)	(10,385)	(1)
	Total non-operating income and expenses		(13,343)	(2)	(8,577)	(1)
7900	Profit before income tax		149,073	24	164,689	27
7950	Income tax expenses	(4)/(6).19	(32,532)	(5)	(28,451)	(5)
8200	Net profit after income tax		116,541	19	136,238	22
8500	Total comprehensive income for the period		\$116,541	19	\$136,238	22
8600	Profit, attributable to:					
8610	Owners of the parent		\$118,280	19	\$138,846	23
8620	Non-controlling interests		(1,739)	(0)	(2,608)	(1)
			\$116,541	19	\$136,238	22
8700	Total comprehensive income attributable to:					
8710	Owners of the parent		\$118,280	19	\$138,846	23
8720	Non-controlling interests		(1,739)	(0)	(2,608)	(1)
		\$136,238	\$116,541	19	\$136,238	22
	Earnings Per Share (NT\$)					
9750	Basic earnings per share:	(4)/(6).20	\$3.89		\$4.76	
9850	Diluted earnings per share:	(4)/(6).20	\$3.86		\$4.73	

(Refer to the Notes to the Consolidated Financial Statements)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD., AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	Equity attributable to owners of parent					Non-controlling interests	Total equity		
		Common stock	Capital surplus	Retained earnings		Total				
				Legal reserve	Undistributed earnings					
Code	Item	3110	3200	3310	3350	31XX	36XX	3XXX		
A1	Balance, January 1, 2023	\$291,795	\$146,721	\$68,535	\$196,937	\$703,988	\$12,471	\$716,459		
	Appropriation of 2022 earnings:									
B1	Legal reserve appropriated	—	—	15,176	(15,176)	—	—	—		
B5	Cash dividends on ordinary shares	—	—	—	(116,718)	(116,718)	—	(116,718)		
D1	Net income after tax for the year	—	—	—	138,846	138,846	(2,608)	136,238		
D3	Other comprehensive income for the year	—	—	—	—	—	—	—		
D5	Total comprehensive income for the period	—	—	—	138,846	138,846	(2,608)	136,238		
M7	Changes in ownership interests in subsidiaries	—	—	—	(221)	(221)	—	(221)		
O1	Change in non-controlling interests	—	—	—	—	—	221	221		
Z1	Balance, December 31, 2023	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895	\$10,084	\$735,979		
A1	Balance, January 1, 2024	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895	\$10,084	\$735,979		
	Appropriation of 2023 earnings:									
B1	Legal reserve appropriated	—	—	13,885	(13,885)	—	—	—		
B5	Cash dividends on ordinary shares	—	—	—	(116,718)	(116,718)	—	(116,718)		
D1	Net income after tax for the year	—	—	—	118,280	118,280	(1,739)	116,541		
D3	Other comprehensive income for the year	—	—	—	—	—	—	—		
D5	Total comprehensive income for the period	—	—	—	118,280	118,280	(1,739)	116,541		
E1	Issue of shares	20,000	109,781	—	—	129,781	—	129,781		
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	—	(12)	—	—	(12)	(518)	(530)		
M7	Changes in ownership interests in subsidiaries	—	—	—	(509)	(509)	—	(509)		
N1	Increase decrease through sharebased payment transactions	—	4,725	—	—	4,725	—	4,725		
O1	Change in non-controlling interests	—	—	—	—	—	509	509		
Z1	Balance, December 31, 2024	\$311,795	\$261,215	\$97,596	\$190,836	\$861,442	\$8,336	\$869,778		

(Refer to the Notes to the Consolidated Financial Statements)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD., AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	2024	2023	Code			2024	2023
		AMOUNT	AMOUNT				AMOUNT	AMOUNT
AAAA	Cash flows from operating activities			BBBB	Cash flows from investing activities			
A10000	Profit before tax	\$149,073	\$164,689	B00040	Acquisition of financial assets at amortized cost	(125,000)	(100,000)	
A20000	Adjustments:			B00060	Proceeds from repayments of financial assets at amortised cost	160,000	140,000	
A20010	Profit and loss items			B00100	Acquisition of financial assets at fair value through profit or loss designated as upon initial recognition	(49,496)	—	
A20100	Depreciation	48,600	47,335	B02700	Acquisition of property, plant and equipment	(9,089)	(20,119)	
A20400	Net loss on financial assets or liabilities at fair value through profit or loss	7,025	—	B02800	Loses (Gains) disposal of property, plant and equipment	240	95	
A20900	Interest expenses	9,348	10,385	B06700	Increase in other non-current assets	(17,045)	—	
A21200	Interest income	(2,118)	(1,574)	B07600	Dividends received	153	(11,768)	
A21300	Dividend income	(153)	—	BBBB	Net cash inflow (outflow) from investing activities	(40,237)	8,208	
A21900	Sharebased payments	4,725	—					
A22500	Gain (Loss) on disposal of property, plant and equipment	(7)	(95)					
A29900	Others	(462)	148					
A30000	Changes in operating assets/liabilities:			CCCC	Cash flows from financing activities			
A31130	Increase in bills Receivable	(767)	(106)	C00100	Increase in short-term loans	111,000	148,000	
A31150	Decrease (Increase) in accounts receivable	(8,486)	7,340	C00200	Decrease in short-term loans	(133,000)	(135,000)	
A31160	Increase in accounts receivable - related parties	(2,098)	(926)	C01600	Proceeds from long-term borrowings	15,000	6,000	
A31180	Decrease (Increase) in other receivables	(1,926)	163	C01700	Repayments of long-term debt	(73,644)	(52,487)	
A31190	Increase in other receivables - related parties	(261)	—	C04500	Cash dividends paid	(116,718)	(116,718)	
A31200	Adjustments for decrease in inventories	184	2,130	C04600	Proceeds from issuing shares	129,781	—	
A31230	(Increase) in other prepayments	(2,597)	(1,469)	C05400	Acquisition of ownership interests in subsidiaries	(530)	—	
A31280	(Increase) in assets recognised from costs to fulfil contracts with customers	(1,426)	—	C05600	Interest paid	(9,464)	(10,304)	
A32130	Increase (Decrease) in bills payable	1,635	(5,585)	CCCC	Net cash outflow from financing activities	(77,575)	(160,509)	
A32150	Increase (Decrease) in accounts payable	645	(8,307)					
A32180	Increase in other payables	2,279	14,833					
A32190	(Decrease) in other payables to related parties	(968)	(5,328)					
A32230	Adjustments for increase (decrease) in other current liabilities	(1,002)	464					
A33000	Cash inflow from operations	201,243	224,097					
A33100	Interest received	2,156	1,528	EEEE	Net (decrease) increase in cash and cash equivalents	50,263	47,757	
A33500	Income tax paid	(35,324)	(25,567)	E00100	Cash and cash equivalents at beginning of period	156,888	109,131	
AAAA	Net cash inflow from operating activities	168,075	200,058	E00200	Cash and cash equivalents at end of period	\$207,151	\$156,888	

(Refer to the Notes to the Consolidated Financial Statements)

Independent Auditors' Report

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

Opinion

We have audited the accompanying individual balance sheets of Ping Ho Environmental Technology Co., Ltd. ("the company") as at December 31, 2024 and 2023, and the related individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and noted to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the company as of December 31, 2024 and 2023, and individual financial performance and individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements for the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue Recognition

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

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

The responsibility of the management and governance for the individual financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers; and for such internal control as management determines is necessary to enable the preparation of the individual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibility for the audit of the individual financial statements

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

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

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

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

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

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

Ernst & Young Taiwan

The Competent Authority approves the public issuance of
the company's financial statements

Audit Verification	Financial-Supervisory-Securities- Auditing No.1100352201
Document Number:	Financial-Supervisory-Securities- Auditing No.1030025503

Auditor: Kuo-Sen Hung
 Tzu-Ping Huang

March 11, 2025

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.

INDIVIDUAL BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

	ASSETS		December 31, 2024		December 31, 2023			LIABILITIES AND EQUITY		December 31, 2024		December 31, 2023	
Code	Accounting Items	Notes	AMOUNT	%	AMOUNT	%	Code	Accounting Items	Notes	AMOUNT	%	AMOUNT	%
	Current assets							Current liabilities					
1100	Cash and cash equivalents	(4)/(6).1	\$144,732	15	\$114,629	14	2150	Bills payable		\$4,527	0	\$5,293	1
1110	Current financial assets at fair value through profit or loss	(4)/(6).2	42,471	4	—	—	2180	Accounts payable - related parties		18,854	2	18,618	2
1136	Current financial assets at amortized cost	(4)/(6).3	25,000	3	60,000	7	2200	Other payables	(7)	59,171	6	59,311	7
1150	Bills receivable, net	(4)/(6).4	20,731	2	20,975	3	2220	Other payables - related parties		15,072	2	13,276	1
1170	Accounts receivable, net	(4)/(6).5	79,788	8	72,682	9	2230	Current tax liabilities	(7)	12,854	1	15,648	2
1180	Accounts receivable - related parties	(4)/(6).5/(7)	4,999	1	3,459	0	2399	Other current liabilities	(4)/(6).18	40	0	483	0
1200	Net other receivables	(4)	11	0	49	0	21xx	Total current liabilities		110,518	11	112,629	13
1210	Other receivables - related parties	(7)	50,406	5	53	0	2xxx	Total liabilities		110,518	11	112,629	13
130x	Inventory	(4)/(6).6	1,453	0	1,366	0							
1410	Prepayments	(7)	3,359	0	3,045	0							
11xx	Total current assets		<u>372,950</u>	<u>38</u>	<u>276,258</u>	<u>33</u>		Equity	(6).11				
	Non-current assets						3100	Share Capital					
1550	Investments adopted equity method	(4)/(6).7	322,519	33	277,111	33	3110	Common stock		311,795	32	291,795	35
1600	Property, plant, and equipment	(4)/(6).8/(7)	255,984	27	269,992	32	3200	Capital surplus		261,215	27	146,721	18
1990	Other non-current assets	(4)/(6).9/(7)	20,507	2	15,163	2	3300	Retained earnings					
15xx	Total non-current assets		<u>599,010</u>	<u>62</u>	<u>562,266</u>	<u>67</u>	3310	Legal reserve		97,596	10	83,711	10
							3350	Undistributed earnings		190,836	20	203,668	24
								Total retained earnings		288,432	30	287,379	34
							3xxx	Total equity		861,442	89	725,895	87
1xxx	Total assets		<u>\$971,960</u>	<u>100</u>	<u>\$838,524</u>	<u>100</u>		Total liabilities and equity		<u>\$971,960</u>	<u>100</u>	<u>\$838,524</u>	<u>100</u>

(Please refer to Individual Financial Statement Notes)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.
 INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	Notes	2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	(4)/(6).13/(7)	\$518,393	100	\$519,077	100
5000	Operating costs	(6).6, 16/(7)	(337,546)	(65)	(315,928)	(61)
5900	Gross profit		180,847	35	203,149	39
6000	Operating expense	(6).16/(7)				
6200	Administrative expenses		(48,023)	(9)	(41,605)	(8)
6300	Research and development expense		(11,760)	(3)	(13,190)	(2)
	Total operating expenses		(59,783)	(12)	(54,795)	(10)
6900	Net operating income		121,064	23	148,354	29
7000	Non-operating income and expenses	(6).17/(7)				
7100	Interest income		2,277	0	1,281	0
7010	Other income		1,118	0	1,093	0
7020	Other gains and losses		(7,025)	(1)	—	—
7050	Finance costs		(21)	(0)	(31)	(0)
7070	Share of profit or loss of subsidiaries and joint ventures accounted for using equity method	(4)/(6).7	26,063	6	13,646	3
	Total non-operating income and expenses		22,412	5	15,989	3
7900	Profit before income tax		143,476	28	164,343	32
7950	Income tax expenses	(4)/(6).18	(25,196)	(5)	(25,497)	(5)
8200	Net profit after income tax		118,280	23	138,846	27
8500	Total comprehensive income for the period		\$118,280	23	\$138,846	27
	Earnings Per Share (NT\$)					
9750	Basic earnings per share	(4)/(6).19	\$3.89		\$4.76	
9850	Diluted earnings per share	(4)/(6).19	\$3.86		\$4.73	

(Please refer to Individual Financial Statement Notes)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	Common stock	Capital surplus	Retained earnings		Total equity
				Legal reserve	Undistributed earnings	
Code		3110	3200	3310	3350	3XXX
A1	Balance, January 1, 2023	\$291,795	\$146,721	\$68,535	\$196,937	\$703,988
	Appropriation of 2022 earnings:					
B1	Legal reserve appropriated	—	—	15,176	(15,176)	—
B5	Cash dividends on ordinary shares	—	—	—	(116,718)	(116,718)
D1	Net income after tax for the year	—	—	—	138,846	138,846
D3	Other comprehensive income for the year	—	—	—	—	—
D5	Total comprehensive income for the period	—	—	—	138,846	138,846
M7	Changes in ownership interests in subsidiaries	—	—	—	(221)	(221)
Z1	Balance, December 31, 2023	<u>\$291,795</u>	<u>\$146,721</u>	<u>\$83,711</u>	<u>\$203,668</u>	<u>\$725,895</u>
A1	Balance, January 1, 2024	\$291,795	\$146,721	\$83,711	\$203,668	\$725,895
	Appropriation of 2023 earnings:					
B1	Legal reserve appropriated	—	—	13,885	(13,885)	—
B5	Cash dividends on ordinary shares	—	—	—	(116,718)	(116,718)
D1	Net income after tax for the year	—	—	—	118,280	118,280
D3	Other comprehensive income for the year	—	—	—	—	—
D5	Total comprehensive income for the period	—	—	—	118,280	118,280
E1	Issue of shares	20,000	109,781	—	—	129,781
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	—	(12)	—	—	(12)
M7	Changes in ownership interests in subsidiaries	—	—	—	(509)	(509)
N1	Increase decrease through sharebased payment transactions	—	4,725	—	—	4,725
Z1	Balance, December 31, 2024	<u>\$311,795</u>	<u>\$261,215</u>	<u>\$97,596</u>	<u>\$190,836</u>	<u>\$861,442</u>

(Please refer to Individual Financial Statement Notes)

PING HO ENVIRONMENTAL TECHNOLOGY CO., LTD.
 STATEMENT OF CASH FLOWS FOR THE INDIVIDUAL ENTITY
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of New Taiwan dollars)

Code	Item	2024	2023	Code	Item	2024	2023
		AMOUNT	AMOUNT			AMOUNT	AMOUNT
AAAA	Cash flows from operating activities			BBBB	Cash flows from investing activities		
A10000	Profit before tax	\$143,476	\$164,343	B00040	Acquisition of financial assets at amortized cost	(125,000)	(100,000)
A20000	Adjustments:			B00060	Proceeds from repayments of financial assets at amortised cost	160,000	140,000
A20010	Profit and loss items			B00100	Acquisition of financial assets at fair value through profit or loss designated as upon initial recognition	(49,496)	—
A20100	Depreciation	23,109	23,046	B01800	Investments Accounted by Using the Equity Method	(50,530)	(57,600)
A20400	Net loss on financial assets or liabilities at fair value through profit or loss	7,025	—	B02700	Acquisition of property, plant and equipment	(6,786)	(3,117)
A20900	Interest expenses	21	31	B06700	Increase in other non-current assets	(7,659)	(8,859)
A21200	Interest income	(2,277)	(1,281)	B07600	Dividend received	32,219	45,853
A21300	Dividend income	(153)	—	BBBB	Net cash inflows (outflows) from investment activities	(47,252)	16,277
A21900	Sharebased payments	3,323	—				
A22400	Share of profit of subsidiaries and joint ventures accounted for using equity method	(26,063)	(13,646)				
A29900	Others	(18)	(66)	CCCC	Cash flows from financing activities		
A30000	Changes in operating assets/liabilities:			C00100	Increase in short-term loans	9,000	—
A31130	Increase in bills Receivable	244	(514)	C00200	Decrease in short-term loans	(9,000)	—
A31150	Decrease (Increase) in accounts receivable	(7,106)	4,576	C04500	Cash dividends paid	(116,718)	(116,718)
A31160	Increase in accounts receivable - related parties	(1,540)	(1,466)	C04600	Proceeds from issuing shares	129,781	—
A31190	Other receivables - Decrease (Increase) in related parties	(50,000)	1	C05600	Interest paid	(21)	(31)
A31200	Reduce inventory	(69)	608	CCCC	Net cash flow (out) from financing activities	13,042	(116,749)
A31230	Decrease (Increase) in other prepayments	(314)	(1,467)				
A32130	Increase notes payable	(766)	82				
A32160	Other receivables - Increase (Decrease) in related parties	236	(10,353)				
A32180	Increase in other payables	(140)	11,834				
A32190	Increase (Decrease) in other payables to related parties	1,796	(10,147)				
A32230	Adjustments for increase (decrease) in other current liabilities	(443)	442				
A33000	Cash inflows from operations	90,341	166,023	EEEE	Net (decrease) increase in cash and cash equivalents	30,103	55,828
A33100	Interest received	1,962	1,235	E00100	Cash and cash equivalents at beginning of period	114,629	58,801
A33500	Income tax paid	(27,990)	(10,958)	E00200	Cash and cash equivalents at end of period	\$144,732	\$114,629
AAAA	Net cash inflow from operating activities	64,313	156,300				

(Please refer to Individual Financial Statement Notes)

Ping Ho Environmental Technology Co., Ltd.

2024 Earnings Distribution Table

Unit: NT\$

Item	Amount
Undistributed earnings of prior years (After Year 1998)	73,066,294
Deduct: Adjustment for changes in the net equity value of associated companies recognized under the equity method.	(509,244)
Adjusted undistributed earnings of prior years	72,557,050
Add: Net profit after tax for year 2024	118,279,612
Balance of undistributed earnings	190,836,662
Deduct: Legal reserve	(11,777,037)
Earnings to be distributed	179,059,625
Deduct: Allocation items	
Dividend for the second half of 2024 - Cash Dividend (\$3.5 per share)	(109,128,250)
Undistributed earnings at the end of the period (After Year 1998)	69,931,375

Ping Ho Environmental Technology Co., Ltd.

Comparison Table of Revised Articles of Incorporation

Before Revision	After Revision	Description
<p>Article 6.</p> <p>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.</p> <p>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.</p> <p>When issuing new shares, employees eligible to subscribe may include those meeting specific criteria from controlling or subsidiary companies.</p> <p><u>The conditions and subscription methods are authorized by the Board of Directors.</u></p> <p>The recipients eligible to receive employee stock warrants from the company may include employees of controlling or subsidiary companies who meet specific conditions. <u>The terms and purchase methods are determined by the resolution of the Board of Directors.</u></p> <p>Employees from controlling or subsidiary companies who meet specific conditions may be eligible to</p>	<p>Article 6.</p> <p>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.</p> <p>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.</p> <p>When issuing new shares, employees eligible to subscribe may include those meeting specific criteria from controlling or subsidiary companies.</p> <p>The recipients eligible to receive employee stock warrants from the company may include employees of controlling or subsidiary companies who meet specific conditions.</p> <p>Employees from controlling or subsidiary companies who meet specific conditions may be eligible to receive restricted stock awards from the company.</p> <p>The treasury shares purchased by the company may be transferred to employees of controlling or subsidiary companies who meet</p>	Conform to the needs of commercial practice

<p>receive restricted stock awards from the company. <u>The conditions and purchase methods are authorized by the resolution of the Board of Directors.</u></p> <p>The treasury shares purchased by the company may be transferred to employees of controlling or subsidiary companies who meet certain conditions. <u>The conditions and transfer methods are authorized by the resolution of the Board of Directors.</u></p>	<p>certain conditions.</p>	
<p>Article 14.</p> <p>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. <u>These independent directors are elected from a list of nominees at the shareholders' meeting.</u> 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</p>	<p>Article 14.</p> <p>The Board of Directors of the company comprises seven to nine members, each with a term of three years. Directors are nominated through a candidate nomination system and elected by the shareholders' meeting from the list of candidates. They are eligible for consecutive re-elections. Among the aforementioned director positions, there must be no fewer than three independent directors, constituting at least one-third of the total director seats. The qualifications, shareholding, limitations on concurrent positions, nomination and election procedures, and other requirements for independent directors are governed by the relevant regulations of the securities regulatory authority. The company may purchase liability insurance for directors to cover their legal responsibilities within their term of</p>	<p>Amendments to related commercial laws</p>

<p>insurance for directors to cover their legal responsibilities within their term of service. <u>The amount of insurance and related matters will be decided by the Board of Directors.</u></p>	<p>service.</p>	
<p>Article 23.</p> <p>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 <u>who meet specific conditions, as determined by the Board of Directors.</u></p>	<p>Article 23.</p> <p>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. <u>At least one-third of the employee bonuses amount shall be allocated for the distribution of remuneration to grassroots employees."</u></p>	<p>Conform to the needs of commercial practice and amendments to related commercial laws</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</u>, the initial step is to earmark funds for tax payments, to offset any accumulated deficits, and to estimate the reserves for employee and directors' remuneration as stipulated in the previous article. Next, it should set aside 10% as a statutory surplus reserve. However, if the statutory surplus already equals the amount of The Company's paid-in capital, this requirement does not apply. Any remaining funds should then be allocated or reversed to special surplus reserves in accordance with laws and regulations. If there is still a balance remaining, along with the accumulated undistributed profits <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. If the distribution is to be made in cash, the resolution can be made by the board of directors. The allocation of the aforementioned special reserves, which includes the net amount of decreases in other equity and the net increase in the fair value of investment properties accumulated in previous periods of the Company,</p>	<p>Article 24.</p> <p><u>If the company generates a profit in its annual final settlement</u>, the initial step is to earmark funds for tax payments, to offset any accumulated deficits, and to estimate the reserves for employee and directors' remuneration as stipulated in the previous article. Next, it should set aside 10% as a statutory surplus reserve. However, if the statutory surplus already equals the amount of The Company's paid-in capital, this requirement does not apply. Any remaining funds should then be allocated or reversed to special surplus reserves in accordance with laws and regulations. If there is still a balance remaining, along with the accumulated undistributed profits, <u>it constitutes the distributable profit for the year</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. If the distribution is to be made in cash, the resolution can be made by the board of directors. The allocation of the aforementioned special reserves, which includes the net amount of decreases in other equity and the net increase in the fair value of investment properties accumulated in previous periods of the Company, should be deducted from the undistributed profits of previous periods by the same amount. If</p>	
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<p>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>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 May 29, 2014.</p> <p>The 8th amendment was made on May 1, 2015.</p> <p>The 9th 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 May 29, 2014.</p> <p>The 8th amendment was made on May 1, 2015.</p> <p>The 9th amendment was made on</p>	<p>Addition of the revision date and order of revisions.</p>

<p>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>The 16th amendment was made on September 25, 2024.</p>	<p>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>The 16th amendment was made on September 25, 2024.</p> <p><u>The 17th amendment was made on June 25, 2025.</u></p>	
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Ping Ho Environmental Technology Co., Ltd.

List of Director and Independent Director Candidates

Title	Name	Education	Experience	Present position	Shareholding (Shares)
Director	Ming- Yang Wu	TsauGung Elementary School	Honorary President of the Kaohsiung City New Chamber of Commerce	Chairman of Ping Ho Materials Technology Co., Ltd. Chairman of Walter Express Co., Ltd. Supervisor of Kaohsiung International Economy Co., Ltd.	2,101,172
Director	Ming- Jen Hung	Bachelor's degree of Design Marketing at TungFang Design Universiy	General Manager of Feng Jia Industrial Co., Ltd. General Manager of Ching Jing Industrial Co., Ltd. General Manager of Wan Jing Industrial Co., Ltd.	Chairman of Feng Jia Industrial Co., Ltd. Chairman of Ching Jing Industrial Co., Ltd. Chairman of Wan Jing Industrial Co., Ltd. Chairman of Feng Jia Construction Co., Ltd. Chairman of Ren Xiang Investment consulting Co., Ltd. General Manager of Ping Ho Materials Technology Co., Ltd.	1,268,420
Director	Ming- Cheng Chung	Yung-Ta Institute of Technology & Commerce	Director of Dah Chuan Steel Pipe Corp.	Director of Dah Chuan Steel Pipe Corp. Director of Great River Steel Corp. Director of Cai Sheng Investment Corp. Director of Yong Chuan Brick and Tile	589,680

Title	Name	Education	Experience	Present position	Shareholding (Shares)
				Corp. Supervisor of Chung Yuan-Heng Steel Corp.	
Director	Chin -Lan Huang	Associate Degree of Early Childhood Education, National Pingtung University of Education	Director of Cheng Yi Steel Co., Ltd. Director of Universal Inspection Technology Co., Ltd.	None	211,450
Independent Director	Chi- Shan Hung	Master's degree of Laws at National Cheng Kung University	Consultant of Kaohsiung Certified Public Accountants Association Commissioner of National Taxation Bureau of Kaohsiung, Ministry of Finance Commissioner of National Taxation Bureau of the Southern Area, Ministry of Finance Deputy Director-general of National Taxation Bureau of the Northern Area, Ministry of Finance	Independent Director of Hua Yu Lien Development Co., Ltd. Director of Flexium Interconnect Inc Independent Director of Nan Liu Enterprise Co., Ltd Independent Director of Sunonwealth Electric Machine Industry Co., Ltd	0

Title	Name	Education	Experience	Present position	Shareholding (Shares)
Independent Director	Tao- Min Chen	Bachelor's degree of Business Administration at Fu Jen Catholic University	Deputy Director of Investigation Bureau, Ministry of Justice Section Chief of Investigation Bureau, Ministry of Justice Senior Executive Officer of Investigation Bureau, Ministry of Justice Deputy Secretary-general of Kaohsiung City Council	None	0
Independent Director	Tai-Long Chin	Master's degree of management at I-Shou University	Adjunct Professor of Cheng Shiu University The member of Research Commission of Investigation Bureau, Ministry of Justice Director of Investigation Bureau, Ministry of Justice Director of Kaohsiung City Field Division	None	0

Ping Ho Environmental Technology Co., Ltd.

The positions concurrently held in other companies of Director and Independent Director

Title	Name	The positions concurrently held in other companies
Director	Ming- Yang Wu	Chairman of Ping Ho Materials Technology Co., Ltd. Chairman of Walter Express Co., Ltd.
Director	Ming- Jen Hung	Chairman of Feng Jia Construction Co., Ltd. Chairman of Ren Xiang Investment consulting Co., Ltd. General Manager of Ping Ho Materials Technology Co., Ltd.
Director	Ming- Cheng Chung	Director of Dah Chuan Steel Pipe Corp. Director of Great River Steel Corp. Director of Cai Sheng Investment Corp. Director of Yong Chuan Brick and Tile Corp.
Independent Director	Chi- Shan Hung	Independent Director of Hua Yu Lien Development Co., Ltd. Director of Flexium Interconnect Inc Independent Director of Nan Liu Enterprise Co., Ltd Independent Director of Sunonwealth Electric Machine Industry Co., Ltd.

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 Law.

Article 2. Scope of businesses are outlined below:

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

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

Company Funds".

Article 4. The company's headquarters is located in Kaohsiung City. When deemed necessary, the Board of Directors has the authority, through resolution, to establish, dissolve, relocate, or otherwise manage branches or subsidiaries both domestically and internationally in compliance with legal regulations.

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

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

Chapter 2. Shares

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

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

When issuing new shares, employees eligible to subscribe may include those meeting specific criteria from controlling or subsidiary companies. The 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 Law. The company's stock affairs are managed in compliance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority and relevant statutory regulations.

Chapter 3. Shareholders Meeting

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

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

Article 10. Except as otherwise provided or restricted by laws or Articles of Association, each shareholder of the company is entitled to have a voting right per share.

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

related to their exercise are handled in accordance with legal regulations.

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

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

Chapter 4. Directors and Audit Committee

Article 14. The Board of Directors of the company comprises seven to nine members, each with a term of three years. Directors are nominated through a candidate nomination system and elected by the shareholders' meeting from the list of candidates. They are eligible for consecutive re-elections. Among the aforementioned director positions, there must be no fewer than three independent directors, constituting at least one-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 Law. The term of office shall be limited to that of the original duration.

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

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

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

of the Company Act.

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

Chapter 5. Manager

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

Chapter 6. Accounting

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

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

Article 23. If the company generates profits during the fiscal year, it should allocate no less than 1% of the pre-tax profit, after deducting employee bonuses and director compensation, as employee bonuses, and not more than 3% as director compensation. However, if the company still has accumulated losses, a reserve should be set aside in advance to cover accumulated deficits. The decision on the distribution ratio of employee bonuses and director compensation, as well as whether employee bonuses should be in the form of stocks or cash, and made by the Board of Directors. This decision requires the presence and resolution of more than two-thirds of the directors and more than half of the directors

present, it should be reported at the shareholders' meeting. The recipients eligible to receive employee bonuses in the form of stock or cash may include employees of controlled or subsidiary companies who meet specific conditions, as determined by the Board of Directors.

Article 24. The Company distributes profits or covers losses after the end of each semi-annual accounting period. 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. 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 from the first half of the accounting period. As the Board of Directors proposes a profit distribution plan involving the issuance of new shares, it should be distributed only after approval by a shareholder meeting. If the distribution is to be made in cash, the resolution can be made by the board of directors. The allocation of the aforementioned special reserves, which includes the net amount of decreases in other equity and the net increase in the fair value of investment properties accumulated in previous periods of the Company, should be deducted from the undistributed profits of previous periods by the same amount. If insufficient, it should then be deducted from the current undistributed profits, after including items beyond the net profit after tax of the current period.

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

Chapter 7. Appendix

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

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

Article 27. This charter was established on July 12, 2006.

The 1st amendment was made on August 28, 2007.

The 2nd amendment was made on June 2, 2008.

The 3rd amendment was made on September 22, 2008.

The 4th amendment was made on October 31, 2011.

The 5th amendment was made on January 7, 2013.

The 6th amendment was made on February 21, 2014.

The 7th amendment was made on May 29, 2014.

The 8th amendment was made on May 1, 2015.

The 9th amendment was made on September 9, 2015.

The 10th amendment was made on November 3, 2015.

The 11th amendment was made on May 18, 2018.

The 12th amendment was made on May 29, 2019.

The 13th amendment was made on March 3, 2020.

The 14th amendment was made on June 15, 2022.

The 15th amendment was made on November 3, 2023.

The 16th amendment was made on September 25, 2024.

Ping Ho Environmental Technology Co., Ltd.

Rules and Procedures of Shareholders' Meeting

Article 1.

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

Article 2.

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

Article 3.

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

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

The alteration of the company's shareholder meeting convening method requires a resolution by the Board of Directors and must be executed no later than the dispatch of the shareholder meeting notice.

The Company shall transform the notice of the shareholders' meeting, proxy forms, related recognition cases, discussion items, matters concerning the election or removal of directors, and other itemized proposals due, as well as explanatory materials, into electronic files and transmit them to the Market Observation Post System. This should be done thirty days before the annual shareholders' meeting or fifteen days before the extraordinary shareholders' meeting. The electronic files of the shareholders' meeting handbook and additional meeting materials shall be transmitted to the Market Observation Post System twenty-one days prior to the annual shareholder meeting or fifteen days prior to the interim shareholder meeting. However, if the company's actual received capital at the end of the most recent fiscal year reaches or exceeds NT\$10 billion, or if the combined shareholding

ratio of foreign and mainland China investors recorded in the shareholder list of the most recent annual shareholder meeting reaches or exceeds 30%, the transmission of the aforementioned electronic file should be completed thirty days before the annual shareholder meeting. The shareholder meeting agenda and supplementary materials will be prepared 15 days before the shareholders' meeting for shareholders to access at any time. They will be available for viewing at the company and the professional stock affairs agent appointed by us.

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

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

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

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

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

Shareholders who hold over one percent of the total issued shares may submit a single proposal for consideration at the general shareholders' meeting. Any submission exceeding this limit will not be included in the agenda. Additionally, if the proposal submitted by the shareholder falls under one of the scenarios stipulated in Article 172-1, Section 4 of the Companies Act, the Board of Directors reserves the right not to include it in the agenda.

Shareholders are entitled to present advisory motions aimed at urging the company to enhance public interests or fulfill social responsibilities. According to the relevant provisions of Article 172-1 of the Company Law, the procedure is restricted to one item. If multiple items are proposed, none will be included in the agenda.

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

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

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

Article 4.

Shareholders may issue a proxy form provided by the company at each shareholders' meeting, specifying the scope of authorization and the appointed agent to attend the meeting on their behalf.

A shareholder can issue only one proxy and appoint one person as the proxy holder. The proxy must be delivered to the company five days before the shareholder meeting. In case of multiple proxies, the one received first will be considered valid. However, the declarant who revokes the previous proxy is not subject to this limit.

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

After delivering the proxy form to the company, if a shareholder intends to attend the shareholder meeting via video conference. They must notify the company in writing to

revoke the proxy two days before the meeting. Failure to do so on time will result in the voting rights being exercised by the proxy agent.

Article 5.

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

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

Article 6.

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

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

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

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

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

There is no restriction on the number of representatives who may attend the shareholders' meeting when the government or a legal entity is a shareholder. It may appoint only one representative to attend as a juristic person is delegated to attend a shareholders' meeting. For shareholders who wish to attend the shareholders' meeting via video conference, they should register with the company two days before the meeting.

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

Article 6.1.

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

1. Ways for shareholders to participate in video conferences and exercise their rights.
2. The procedures for addressing any obstacles encountered on the video conference platform or during participation in a video meeting due to natural disasters, incidents, or other force majeure events, should include at least the following:
 - (1) If the aforementioned obstacles persist and can't be resolved, resulting in the need to postpone or continue the meeting. The notice should include the rescheduled or continued meeting time, including the date for the postponed or continued.
 - (2) Those shareholders who have not registered to participate in the original shareholders' meeting via video conferencing are not permitted to participate in the postponed or continued meeting.
 - (3) During the convening of a video-assisted shareholders' meeting, if the video conference can't proceed after deducting the shares represented by those who participated via video. The meeting should proceed if the total shares represented meet the statutory threshold for the shareholders' meeting. The shares represented by shareholders participating via video should be counted in the total shares represented. Regarding all motions at that shareholders' meeting, they will be treated as abstentions.
 - (4) In the event that all resolutions have been announced and no questions and motions are made, the handling approach would be as follows.
3. Convening a video conference shareholders' meeting should include specifying appropriate alternative measures for shareholders who have difficulty participating in the meeting via video conferencing. Apart from the situations outlined in the Article 44-9, paragraph 6 of the Guidelines for Regulations Governing the Administration of Shareholder Services of Public Companies, the company should provide shareholders with connection equipment and necessary assistance. Additionally, the notice should specify the period during which shareholders can apply to the company and other relevant matters they should be aware of.

Article 7.

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

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

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

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

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

Article 8.

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

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

In the case of a shareholder meeting conducted via video conference, the company is required to record and preserve data pertaining to shareholder registration, check-in, inquiries, voting, and the company's voting results. Additionally, the entire video conference proceedings must be continuously and uninterruptedly recorded in both audio and video formats.

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

Article 9.

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

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

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

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

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

Article 10.

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

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

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

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

Article 11.

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

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

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

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

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

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

For shareholders' meetings conducted via video conference, shareholders participating through video means may submit questions in text on the video conference platform from the time the chairman announces the meeting's commencement until the meeting's

adjournment is announced. Each resolution can be questioned up to two times, with a limit of 200 words per question. The provisions from the first to the fifth do not apply in this case.

Article 12.

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

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

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

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

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

Article 13.

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

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

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

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

Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.

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

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

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

The company convened a video conference for the shareholders' meeting. The shareholders

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

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

When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14.

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

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

Article 15.

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

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

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

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

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

Article 16.

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

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

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

Article 17.

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

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

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

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

Article 18.

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

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

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

Article 19.

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

Article 20.

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

Article 21.

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

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

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

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and results have been announced, or list of elected directors.

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

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

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

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of

Public Companies, the companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

Article 22.

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

Article 23.

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

This regulation was established on May 29, 2019.

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

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

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

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

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

Ping Ho Environmental Technology Co., Ltd.

Rules for Election of Directors

Article 1

To ensure fairness, impartiality, and transparency in the selection of directors, the procedure is established in accordance with Article 21 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

Article 2

The director election of the company should adhere to the procedure, unless otherwise specified by laws or the charter.

Article 3

The selection of directors for the company should take into account the overall composition of the Board of Directors. The composition of the Board of Directors should consider diversity and establish appropriate diversity policies based on its operations, business model, and development needs. These policies should include, but are not limited to, the following two key aspects:

- (I) Basic conditions and values: gender, age, nationality, culture, etc.
- (II) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), specialized skills, and industry experience, etc.

Board members should generally possess the knowledge, skills, and competence necessary to perform their duties. The overall competencies they should possess are as follows:

- (I) Operational judgment ability.
- (II) Accounting and financial analysis ability.
- (III) Management and leadership ability.
- (IV) Crisis management ability.
- (V) Industry knowledge.
- (VI) Global market perspective.
- (VII) Leadership.
- (VIII) Decision-making ability.

More than half of the seats on the Board of Directors should not be held by individuals who have a spousal or direct family relationship (within two degrees of kinship).

The company's Board of Directors should consider adjusting the composition of its members based on the results of performance evaluations.

Article 4

The qualifications of the company's independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of the company's independent directors shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and should be handled in accordance with the provisions of Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Article 5

The election of directors of the company shall be handled in accordance with the nomination system stipulated in Article 192-1 of the Company Act.

If a director is removed for any reason and the number of directors falls below five, the company shall hold a supplementary election at the next shareholders' meeting. However, if the number of vacant director positions reaches one-third of the seats specified in the company's Articles of Association, the company shall convene an extraordinary shareholders' meeting to hold a supplementary election within 60 days from the occurrence of the vacancy.

If the number of independent directors is insufficient as required by the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, a supplementary election shall be held at the next shareholders' meeting. If all independent directors are removed, an extraordinary shareholders' meeting shall be convened to hold a supplementary election within 60 days from the occurrence of the event.

Article 6

The election of directors for the company shall adopt a cumulative voting system. Each share shall have voting rights equal to the number of directors to be elected, which may be concentrated on a single candidate or distributed among multiple candidates.

Article 7

The Board of Directors shall prepare election ballots equal in number to the directors to be elected, and include the corresponding number of votes. These ballots shall be distributed to shareholders attending the shareholders' meeting. The name of the voter may be substituted by the attendance certificate number printed on the ballot.

Article 8

The election rights for independent and non-independent directors shall be calculated separately based on the quota specified in the company's Articles of Association. The candidates with the highest number of votes representing the most election rights shall be elected in order. If two or more candidates have the same number of votes exceeding the specified quota, a draw shall be conducted to determine the outcome. For those not in attendance, the chairperson shall conduct the draw on their behalf.

Article 9

Before the election begins, the chairperson shall designate a number of vote supervisors and vote counters to perform their respective duties. The vote supervisors must be shareholders of the company. The ballot box shall be prepared by the Board of Directors and, before the voting begins, it shall be publicly inspected by the vote supervisors.

Article 10

Voters may select one candidate from the "candidate" list prepared by the company by marking the "elected person" section on each ballot. However, this does not apply to shareholders who exercise their voting rights through electronic voting.

Article 11

A ballot shall be considered invalid under the following circumstances:

- (I) If the ballot was not prepared by the convener.
- (II) If a blank ballot is placed in the ballot box.
- (III) If the handwriting is illegible and cannot be identified.
- (IV) If more than one candidate is selected in the "elected person" section.
- (V) If any other text is written on the ballot, aside from the "candidate" list prepared by the company.
- (VI) If the number of selected candidates exceeds the number of positions to be elected.
- (VII) If the total number of votes allocated exceeds the number of votes held by the voter.
- (VIII) If the voter fails to fill in the remarks section on the ballot as required.

Article 12

After the voting is completed, the votes shall be counted immediately, and the results shall be announced on the spot by the chairperson or a person designated by the chairperson, including the list of elected directors and the number of votes each received.

The ballots for the elections mentioned in the preceding paragraph should be sealed and signed by the scrutineer, then stored securely for at least one year. If legal action was instated under Article 189 of the Company Act, the aforementioned record shall be kept until the conclusion of the legal proceedings.

Article 13

The elected directors shall be issued a notice of election by the company's Board of Directors.

Article 14

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

The procedure was established on May 29, 2019.

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

The 2nd amendment was made on July 20, 2021.

Ping Ho Environmental Technology Co., Ltd.

Shareholdings of Directors

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

Book closure date: April 27, 2025

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%