



Stock Code:7715

YUH SHAN Environmental Engineering Co., Ltd.

# 2026 shareholders' meeting Meeting Handbook

- Format: Physical Meeting
- Time: 10:30am on May 25 (Monday), 2026
- Address : No. 5, Yanfa 1st Rd., Dehe Village, Changzhi Township, Pingtung County 90846, Taiwan (R.O.C.) (Tonghe Agricultural Science Business Hotel)

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# **Yuh Shan Environmental Engineering Co., Ltd**

## **The agenda of the 2026 shareholders' meeting**

Time: 10:30 a.m, May 25, 2026 (Monday)

Venue: No. 5, Yenfa 1st Road, Dehe Village, Changzhi Township, Pingtung County (Tonghe Agricultural Science Business Hall)

Method of convening: physical shareholders' meeting

A. Meeting called to order: Report the number of shares represented by the shareholders present.

B. Chairman's remarks

C. Reports

(I) 2025 business report.

(II) The Audit Committee's report on the Company's 2025 annual final accounts and statements.

(III) The report on remuneration to the Company's directors and employees in 2025.

(IV) The report on the cash dividends distributed from earnings for 2025

(V) Report on the implementation status of treasury shares repurchase.

D. Ratifications

(I) 2025 business report and financial statements.

(II) 2025 earnings distribution.

E. Discussion

(I) Proposal to amend of the Company's "Operating Procedures for Endorsement/Guarantee".

(II) Proposal to amend of the Company's "Operating Procedures for Acquisition and Disposal of Assets."

(III) Proposal to amend of the Company's "Sustainable Development Best

Practice Principles."

F. Election:

(I) Overall re-election of directors (including independent directors).

G. Other matters:

(I) Removal of the non-compete restrictions for the new directors and their representatives.

H. Extemporaneous Motion

I. Adjournment

## Reports

### Proposal 1

Subject: The 2025 business report, please review.

Description: I. The total operating income in 2025 was NT\$1,239,146 thousand, gross profit was NT\$263,618 thousand, gross profit margin was 21.27%, operating profit was NT\$116,735 thousand, operating profit margin was 9.42%, net profit after tax was NT\$101,885 thousand, net profit margin was 8.22%, and net profit per share was NT\$3.09.

II. Attached please find the business report, please refer to page 11 (Attachment 1) for your review.

### Proposal 2

Subject: Please find the Audit Committee's report on the Company's 2025 annual final accounts and statements for your review.

Description: I. The Company's 2025 financial statements have been audited and attested by the CPAs, together with the business report and earnings distribution statement that have been reviewed by the Audit Committee, and the Audit Report and Review Report are submitted respectively, please refer to pages 19~36 (Attachment 2~4) of the handbook of agenda.

II. The Convener of the Audit Committee is to read the Audit Report for your review.

### Proposal 3

Subject: Please review the report on remuneration to the Company's directors and employees in 2025.

Description: The Company intends to distribute NT\$3,896,917 as the

employees' remuneration (including NT\$1,324,952 for non-executive employees) and NT\$3,500,000 as the directors' remuneration for 2025; the proposal has been reviewed at the sixth meeting of the first Remuneration Committee and approved by the Board of Directors.

#### Proposal 4

Subject: Please review the report on the cash dividends distributed from earnings for 2025

Description: I. In accordance with the provisions of the Company's Articles of Incorporation, the cash dividends may be distributed upon the resolution of the Board of Directors and reported to the shareholders' meeting. The Company has passed the resolution at the 11th meeting of the 14th board of directors on March 09, 2026, that the Company's net profit after tax is NT\$101,884,710, after deducting 10% as the legal reserve of NT\$10,188,471, plus the undistributed earnings at the beginning of the period totaling NT\$153,977,145, the distributable earnings for 2025 are NT\$245,673,384. The cash dividends will be distributed as NT\$1.8 per share, totaling NT\$58,944,600, and as the principle, the remaining NT\$186,728,784 will be reserved for distribution in subsequent years. Please refer to page 37 of the handbook of agenda (Attachment 5).

II. If the number of outstanding shares is affected due to changes in the share capital resulted from cash capital increase, exercise of employees' warrants, or other factors, and the shareholders' dividend distribution ratio requires correction due to such changes, it is proposed to authorize the chairman to handle the matter with full authority. Cash dividends shall be paid up to

NT\$, rounded to the nearest NT\$, and the total amount of fractional amounts payment less than NT\$1 shall be transferred to other income of the Company.

III. For this proposal, the chairman is authorized to set the ex-dividend base date as May 31, 2026, and the distribution date is June 22, 2026, please review.

#### Proposal 5

Subject: Please review the report on the implementation of the treasury share repurchases.

Description: I. The repurchases were made in accordance with Article 28-2 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.

II. In order to protect the Company's credit and shareholders' equity, from September 18, 2025 to November 13, 2025, the Company repurchased a total of 1,000,000 treasury shares, with a repurchase amount of NT\$34,476,483 and an average repurchase price of NT\$34.48 per share. It is determined that March 10, 2026 is the base date of capital decrease via a cancellation of these treasury shares. In addition, the Company will apply for the capital change registration to the competent authority governing the company registration, to cancel the shares upon approval. Please review.

## Ratifications

Proposal 1 (proposed by the Board of Directors)

Subject: Please ratify the 2025 business report and financial statements.

Description:

- I. The Company's financial statements for 2025 have been audited and attested by the CPAs. The statements, together with the business report, have been reviewed by the Audit Committee to find no inconsistencies, and the relevant information (including business report, balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement) can be found on pages 11~35 (Attachment 1~3) of the handbook of agenda, please ratify.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Subject: Please ratify the proposal of 2025 earnings distribution.

Description:

- I. The Company's proposal of 2025 earnings distribution has been approved by the Board of Directors and reviewed by the Audit Committee, please refer to page 37 of the handbook of agenda (Attachment 5).
- II. Please ratify.

Resolution:

## Discussions

Proposal 1 (proposed by the Board of Directors)

Subject: Please vote for the amendments to the Company's "Operating Procedures for Endorsement/Guarantee."

Description: I. In response to the development needs of the Company and in line with the current situation, it is proposed to amend some provisions of the Company's "Operating Procedures for Endorsement/Guarantee."

II. For the comparison table before and after the amendment of the "Operating Procedures for Endorsement/Guarantee," please refer to page 38 of the handbook of agenda (Attachment 6).

III. Please vote.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Subject: Please vote for the amendment of the Company's "Operating Procedures for Acquisition and Disposal of Assets."

Description: I. In response to the needs of the Company's long-term development, it is proposed to amend some provisions of the Company's "Operating Procedures for Acquisition and Disposal of Assets."

II. For the comparison table before and after the amendment of the "Operating Procedures for Acquisition and Disposal of Assets," please refer to page 48 of the handbook of agenda (Attachment 7).

III. Please vote.

Resolution:

Proposal 3 (proposed by the Board of Directors)

Subject: Please vote for the amendment to the Company's "Sustainable Development Best Practice Principles."

Description: I. With reference to the announcement Tai-Zheng-Zhi-Zi No. 1140016118 issued by Taiwan Stock Exchange Co., Ltd. on September 02, 2025 that amended some provisions of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," it is proposed to amend some provisions of the Company's "Sustainable Development Best Practice Principles."

II. For the comparison table before and after the amendment of the "Sustainable Development Best Practice Principles," Please refer to page 55 of the handbook of agenda (Attachment 8).

III. Please vote.

Resolution:

## Election

Proposal 1 (proposed by the Board of Directors)

Subject: The overall re-election of directors (including independent directors) is submitted for election.

Description: I. The current eight directors of the Company (including three independent directors) have the term of office from December 08, 2023 to December 07, 2026, and it is intended to fully re-elect directors and independent directors in conjunction with this general shareholders' meeting.

II. In accordance with Article 16 of the Company's Articles of

Incorporation, the Company shall have five to nine directors, and among the seats of directors referred to in the preceding paragraph, there shall be no less than three independent directors and not less than one-fifth of the number of directors. The candidate nomination system is adopted for the election, and the shareholders' meeting shall elect these independent directors from the candidates of independent directors.

III. Election Seven directors (including three independent directors) to be elected, and their terms of offices will be from May 25, 2026 to May 24, 2029, for a total of three years. The newly elected directors (including three independent directors). The new directors (including three independent directors) take the office upon the election, and the former directors are discharged immediately; all new independent directors will form the Audit Committee.

IV. Please refer to page 58 (Attachment 9) for the educational background, experience and other relevant information of the director (including independent directors) candidates nominated this time.

V. Please elect.

Resolution:

## Other matters

Proposal 1 (proposed by the Board of Directors)

Subject: Please vote for the removal of the non-compete restrictions for the new directors and their representatives.

- Description: I. Pursuant to Article 209 of the Company Act, directors who engage in acts within the scope of the Company's business for themselves or others shall explain the important contents of their actions to the shareholders' meeting and obtain the permission.
- II. As a new director of the Company may invest in or operate a company with the same or similar business scope as the Company, and serves as a director or managerial officer, without prejudice to the interests of the Company, it intends to request the approval of the shareholders' meeting in accordance with the Company Act to remove the non-compete restrictions under Article 209 of the Company Act for the new directors and their representatives.
- III. For the names of companies in which and positions served by the directors (including independent directors) concurrently, please refer to page 61 (Attachment 10). However, this removal is only subject to the actual elected directors (including independent directors).
- IV. Please vote.

Resolution:

Extemporaneous motion

Adjournment

[Attachment 1]

## Yuh Shan Environmental Engineering Co., Ltd 2025 Business Report

### I. 2025 Business Report

#### (I) Implementation results of the 2025 business plan

The Company focuses on the field of environmental engineering. In addition to the business of traditional soil and groundwater remediation engineering, the Company has rapidly expanded its business to the circular economy market in recent years to cope with the saturating soil and groundwater remediation business. The Company's operating revenue in 2025 was NT\$1,239,146 thousand, comparing with the operating income of NT\$1,715,266 thousand in 2024, there is a decrease of 28%, the main reason is that the remediation work of the Kaohsiung refinery of CPC was gradually coming to an end in 2025, so its contribution to revenue was not as good as in 2024. The gross profit in 2025 reached NT\$263,618 thousand, a decrease of 28% from 2024, and the net profit after tax for the whole year was NT\$101,885 thousand, a decrease of 31% from 2024, and the net income after tax per share in 2025 was NT\$3.09.

#### (II) Financial income and expenditure and profitability analysis (consolidated statements)

##### 1. Financial income and expenditure

Unit: NT\$/NT\$ thousand

Account / Year	2025	2024	Growth (decline) rate year-on-year
Operating revenue	1,239,146	1,715,266	(28%)
Gross profit	263,618	363,768	(28%)
Operating expenses	146,883	164,364	(11%)
Net operating profit	116,735	199,404	(41%)
Net profit after tax	101,885	147,227	(31%)

2. Implementation of operating budget: The Company has not announced its financial forecast.

##### 3. Profitability analysis:

In 2025, the existing large-scale projects were implemented as planned, with

a new project contracts amount of nearly NT\$1 billion, and entered the waste-to-solid renewable fuel market in Taichung for the first time. However, due to the fierce market competition, some key tenders participated failed, and the remediation work in Kaohsiung refinery of CPC was gradually completed, with delayed commencement of new projects, resulting in the 2025 financial data of the Company performed poorer than the previous period, and the profitability ratios are shown in the table below.

Item:	2025	2024
Return on assets	6.59%	8.65%
Return on shareholders' equity	11.78%	19.86%
Net operating profit margin	9.42%	11.63%
Net profit margin after tax	8.22%	8.58%
Earnings per share after tax	3.09	5.06

(IV) Research and development status

In 2025, the Company obtained additional invention patents for "Waste Dehydration Device and Waste Dehydration Method (Taiwan)," "Wastewater Treatment Method (Taiwan)," "Electric Heating Structure and Its Manufacturing Method and Applications Thereof (Taiwan)," and "Local Ultrafine Bubble Circulation System (Taiwan)." In response to international carbon reduction needs, future research and development will focus on green and low-energy consuming remediation technologies, and waste-to-energy technologies improving energy efficiency.

**II. Summary of the 2026 business plan**

- (I) We will continuously cultivate in the field of circular economy, focus on the utilization and recycling of food waste resources, industrial waste, and general waste. The Company has targeted more than ten potential domestic projects, and through multiple channels and strategic deployment, the Company has gradually transformed opportunity targets into sustainable core businesses to promote steady corporate growth. In addition to continuously expanding its market share, the

Company will also systematically organize and replicate the accumulated practical operation experience and first-mover advantages systematically, and introduce such into other markets with potential of circular economy development, to achieve the goal of scale and synergistic growth.

- (II) We have completed existing soil and groundwater remediation projects with high quality, such as the Cijin Military Site Remediation Plan, to ensure that the project is completed on schedule, and strived to control costs to achieve or exceed the approved plan profits.
- (III) The Company continuously implements the "Mobile Waste Sorting Site Plan in Yunlin County" (MBT), accumulating the operational performance, implementation experience and professional talents, and established a favorable competitive position for deployment in advance, while seizing the potential opportunities for future participation in PPIP.
- (IV) On the basis of domestic success, we re-evaluate overseas markets and integrate and export the accumulated multiple-year experience in soil and groundwater remediation, equipment, technology, and chemicals, and gradually replicate and expand the accumulated operational experience and equipment in the field of circular economy to overseas markets, for enhancing the overall development scale and international competitiveness.
- (V) We strengthen the management talents and team for "resource recycling," and actively introduce related technologies at home and abroad.
- (VI) The internal control systems and internal audit management systems are implemented, and the project management is improved.
- (VII) We enhance the departmental organizations and strengthen organizational talent trainings.

### **III. Future development strategy of the Company**

- (I) Short-term development plan: The main focus of implementing the short-term development plan is to ensure the completion of existing projects faithfully, establish project management processes, and continue to accumulate experience.

Regarding business opportunities, in addition to maintaining the Company's advantages in soil and groundwater remediation business, while expanding market share, and accelerating the deployment of the circular economy market, we aim at high-growth waste recycling and food waste recycling, and promote the development directions of resources such as "to be fuel, material, fertilizer, and biomass energy" holistically, to accumulate medium- and long-term development momentum.

- (II) Medium-term development plan: The main focus of implementing the medium-term development plan is to strive for excellence; not only through the foundation established by the initial development, we stabilize the domestic soil and groundwater remediation market share, in the circular economy field, in addition to the existing strategic step into the "governmental PPIP" plan, we also adopt more flexible approaches, including the establishment of subsidiaries or joint ventures with important domestic or overseas stakeholders, to establish a stable and sustainable revenue foundation under the premise of controllable risks. The overall medium-term strategy will focus on the domestic resource recycling market and enhance the Company's sustainable competitiveness through scalable and modular environmental protection technologies.
- (III) The long-term development plan aims to: by adopting the results of the short- and medium-term development plans, we will gradually leverage the accumulated experience over the years for steady commercialize and modularize the environmental protection equipment and chemicals, including but not limited to the installation of large-scale remediation equipment and waste-to-solid renewable fuel treatment system plants, food waste and agricultural waste recycling equipment, among other things. The Company will gradually establish a replicable, scalable, and highly integrated environmental protection and resource technology platform, to form a sustainable circular economy enterprise with systematic and continuous innovation capabilities, strengthening its long-term competitive advantage in the market.
- (IV) In 2026, for overseas business, we will adopt a strategy of prudential evaluation and low investment maintenance to ensure effective use of resources.
  - 1. Maintenance of existing overseas customers: We provide necessary technical

services and environmental protection remediation support for Taiwanese companies or international enterprises that have cooperated with, but do not add major investments or establish new bases.

2. Risk control and project selection principles: we avoid investing in high-capital, high-risk cross-border remediation or large-scale engineering projects, and provide technical output or consulting services depending on market demand.

#### **IV. Impacts from the external competition environment, regulatory environment, and overall operating environment**

##### **(I) External competition environment**

The domestic soil and groundwater pollution remediation industry is mainly driven by the “Soil and Groundwater Pollution Remediation Act” and related environmental protection regulations; the remediation demand is mainly from government public projects, state-owned enterprises, and industrial land with high pollution risks. With the maturity of the pollution site management mechanism and the increasing regulatory requirements, the scale of remediation projects is showing a trend of being larger and longer; the market players have to be equipped with complete technology capabilities, historic performance and experience, as well as sufficient equipment and human resources to join the competition.

The Company has been deeply involved in soil and groundwater pollution investigation, remediation planning and design, and engineering implementation for many years with performance accumulated, and has the overall service capabilities from pollution assessment to project execution, with the technical foundation of self-developed and improved remediation equipment, patented technologies and commercialized chemical agents. In recent years, the projects we are contracted have gradually focused on large procurement projects of government public constructions and state-owned enterprises; some large-scale remediation projects have been completed or in progress, indicating that the Company has a certain market position in the industry.

As market competition matures, the focus of industry competition has shifted from price-oriented to technical capabilities, construction management, energy

saving and carbon reduction, and environmentally friendly remediation methods. To cope with industry trends, we continue to strengthen our ability to contract projects with high-tech threshold, focusing on remediation projects of factories in operation and at the sites with complex geological conditions. We also carefully select project by taking scale of the project, construction risks, and gross profit structure into account to maintain operational stability and competitiveness.

## (II) Regulatory environment

As the international community becomes increasingly strict on greenhouse gas emissions and financial institutions have increasingly stringent ESG requirements, emission and coal reduction will still be the focus of future environmental regulations. In terms of the circular economy business, the market gradually develops toward the sustainable development such as utilization and recycling of waste. It is expected that the market of industrial waste utilization will demonstrate a trend of steady growth. In view of the fact that regulations have been restricting the use of food waste as livestock feed since 2026, it is expected that diversified food waste reuse will explode rapidly, and the Company will actively invest resources to integrate key technologies in the market and jointly develop the food waste reuse market with a highly flexible business model, including but not limited to PPIP and joint ventures. In the face of ever-changing overseas markets, we will continue to monitor regulatory developments and business opportunities in key overseas markets in the future, and in response to changes in overseas economies, we will focus on the developable markets, such as Taiwanese companies seeing relocate plants, or the state-owned enterprises or governmental agencies with robust finance position, with disciplines, while controlling costs strictly to maintain the market competitiveness.

In response to the increasingly stringent international requirements for greenhouse gas emission control and ESG requirements from financial institutions, the future development of environmental regulations will still focus on emission and coal reduction. The economy will focus on the recycling circulation of reusable resources, and it is expected that the government and officials tend to promote PPIP for municipal waste recycling opportunities. As a pioneer in the field of circular economy, the Company will actively participate in related competition in a more

flexible format. In addition, in the face of changes in overseas markets, Yuh Shan will keep on monitoring the development of environmental regulations and business opportunities in mainland China and Southeast Asia, and deploy the overseas markets in advance, focusing on expanding customers in Taiwanese companies and the large companies of petrochemical industry.

(III) The overall operating environment

In recent years, due to the shortage of lands in industrial zones resulted from returning of Taiwanese companies, the government has begun to accelerate the remediation of stagnant sites and soil surveys in industrial zones to revitalize the release of industrial land. The said strategies have successfully promoted the growth of the Company's soil and groundwater remediation business in the past five years. However, as the pollution remediation market gradually matures, it is expected that the market will become saturated rapidly in the future. In the future, the types of soil and groundwater remediation projects will develop toward the direction of increasing the number of projects and reducing the scale of a single project. The market as a whole, will be difficult to generate opportunities for large-scale and rapid growth, and the competition will intensify. In response to the needs of operating factories, pollution remediation technologies may develop toward localization with higher technical thresholds. The competent authorities vigorously promote corporate ESG and implement it in ways of energy-saving, carbon emission reduction, and improving energy efficiency; the green remediation will become an issue of competitive differentiation in the future. Resource recycling is expected to become the mainstream of the environmental protection market under the trend of ESG, regulations, waste reduction, emission reduction, and carbon reduction, especially in fields subject to regulations. Reuse of industrial waste, utilization of food waste, among other projects will become the main market growth drivers; however, the circular economy is subject to regulations, technologies, and channels of reuse, the entrance threshold is very high. The Company has achieved remarkable results in the field of "waste recycling", and will continue to leverage the advantages of first-mover to develop towards the continuous development for resources "to be fuel, material, fertilizer and biomass energy." Through systematization, modularization, and deepening of technologies, the Company will enhance the core competitive positioning under ESG, carbon-reducing

transformation, and global zero-waste trend, to create a sustainable and forward-looking long-term growth momentum.

Yuh Shan will continue to propose effective and forward-looking environmental solutions, from multi-faceted pollution remediation technology to the commercialization of equipment and system development, and then horizontally expand into the field of circular economy. We walk on eggs and spare no effort, strive for the mission of “return the clean living space to human beings with excellent technologies.”

In the face of intensifying changes in global environmental issues and the deep-rooted environmental awareness, the value of Yuh Shan’s achievement is built; the Company will make unremitting efforts to create reasonable long-term investment value for shareholders in line with the philosophy of sustainable operation and development.

Chairman: Liu, Yuan-Hung    Managerial Officer: Chang, Yu-Chi    Accounting Officer: Wu, Chun-Yen

## [Attachment 2] 2025 Independent Auditor’s Report and Consolidated Financial statements

### Independent Auditors' Report

To: Yuh Shan Environmental Engineering Co., Ltd

#### **Auditors' Opinions**

We have audited the accompanying consolidated financial statements of Yuh Shan Environmental Engineering Co., Ltd (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Accountant, 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 year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a

separate opinion on these matters.

### Revenue Recognition – Environmental Engineering Contracts

The environmental engineering contracts of the Group are performed gradually over time, and revenue for each period is recognized based on the degree of completion. The degree of completion is measured by the cumulative contract costs incurred as a percentage of the estimated total contract costs. The assumptions used in estimating the total contract costs may involve the management's estimates and judgments, which may affect the calculation of the percentage of completion and the revenue from projects. Therefore, we consider the decision of revenue recognition as a key audit matter.

Our audit procedures include (but are not limited to) evaluating the appropriateness of the accounting policy recognizing revenues, testing the effectiveness of the internal controls established by the management for revenue recognition, including understanding and testing the internal controls related to the accuracy of percentage-of-completion estimates and project revenue calculations, evaluating the reasonableness of the management's estimates of future costs based on past experience, reviewing the evaluation documents and approval procedures performed by the management on estimates of total contract costs, degree of contract completion and onerous contracts, performing detailed tests to confirm the authenticity of cost incurrence, verifying whether accounting records reflect expected contract losses, sampling and reviewing major contracts, and interviewing the management to understand the specific terms and risks of each contract. We also consider the appropriateness of the disclosure of operating revenue in Notes (4), (5), and (6) to the consolidated financial statements.

### **Responsibilities of Management and Those Charged with 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, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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 Group's ability 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' Responsibilities 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 auditors' 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 the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material 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.

We exercise professional judgment and maintain professional skepticism throughout the audit. 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 control relevant 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 control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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 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 a 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 and appropriate audit evidence regarding the financial information of 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 we identify during our audit.

We also provided the governing body with information that the personnel of the firm to which we belong subject to the norms of independence have complied with the independence statement in the Norm of Professional Ethics for Certified Public Accountant, and communicated with the governing body all relationships and other matters (including relevant safeguarding measures) that may be considered to affect the auditor's independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter 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**

The Company has prepared the parent-company only financial report for the years ended December 31, 2025 and 2024, and we have provided the independent auditor's report of unqualified opinion for your reference.

EY Taiwan

Approval from the competent authority for preparing the financial reports of publicly companies

Verification of visa number: Jin-Guan-Zheng-Liu-Zi No. 0970038990

Jin-Guan-Zheng-Shen-Zi No. 1100352201

Calvin Chen

CPA:

Dick Hung

March 9, 2026

Yuh Shan Environmental Engineering Co., Ltd and its subsidiaries  
Consolidated Balance Sheet  
December 31, 2025 and December 31, 2024

Unit: NT\$thousand

Assets			December 31, 2025		December 31, 2024		Liabilities and equity			December 31, 2025		December 31, 2024	
Code	Accounting Item	Note	Amount	%	Amount	%	Code	Accounting Item	Note	Amount	%	Amount	%
	<b>Current assets</b>							<b>Current liabilities</b>					
1100	Cash and cash equivalents	(4) / (6).1	\$230,168	15	\$335,086	19	2100	Short-term loans	(4) / (6).7	\$20,000	1	\$123,949	7
1140	Contractual assets - current	(4) / (6).13&14	626,830	42	711,382	39	2110	Short-term bills payable	(4) / (6).8	49,982	4	-	-
1150	Notes receivable	(4) / (6).2&14	-	-	2,845	-	2130	Contract liabilities - current	(4) / (6) 13	20,147	1	20,126	1
1170	Accounts Receivable	(4) / (6).3&14	267,494	18	224,519	12	2150	Notes payable	(4)	286	-	286	-
1200	Other receivables	(4)	25	-	11	-	2170	Accounts payable	(4)	49,650	4	140,475	8
130x	Inventories	(4)	701	-	534	-	2200	Other payables	(4)	137,281	9	164,981	9
1410	Prepayment	(4) / (6).4	68,189	5	27,950	2	2230	Income tax liabilities for the current period	(4)	5,330	-	17,095	1
1476	Other financial assets – current	(4) / (8)	77,174	5	223,595	12	2250	Liability reserve - current	(4)	47,141	3	9,432	1
1479	Other current assets		4,575	-	10,830	1	2280	Lease liabilities - current	(4) / (6) 15	6,082	-	13,590	1
11xx	<b>Total current assets</b>		<b>1,275,156</b>	<b>85</b>	<b>1,536,752</b>	<b>85</b>	2322	Long-term borrowings maturing within one year or one operating cycle	(4) / (6) 9	112,677	8	205,797	11
	<b>Non-current assets</b>						2399	Other current liabilities		1,728	-	1,628	-
1600	Property, plant and equipment	(4) / (6) .5 / (8)	162,441	11	214,516	12	21xx	<b>Total current liabilities</b>		<b>450,304</b>	<b>30</b>	<b>697,359</b>	<b>39</b>
1755	Right-of-use assets	(4) / (6) 15	8,224	-	17,847	1		<b>Non-current liabilities</b>					
1780	Intangible assets	(4) / (6).6	1,356	-	2,356	-	2540	Long-term bank borrowing	(4) / (6) 9	107,645	7	302,594	17
1840	Deferred income tax assets	(4) / (6) 18	10,666	1	13,515	1	2550	Liability reserve - non-current	(4)	200	-	2,390	-
1900	Other non-current assets	(8)	39,048	3	19,591	1	2570	Deferred income tax liabilities	(4) / (6) 18	398	-	1,249	-
15xx	<b>Total non-current assets</b>		<b>221,735</b>	<b>15</b>	<b>267,825</b>	<b>15</b>	2580	Lease liabilities - non-current	(4) / (6) 15	1,919	-	4,359	-
							2600	Other non-current liabilities		-	-	2,625	-
							25xx	<b>Total non-current liabilities</b>		<b>110,162</b>	<b>7</b>	<b>313,217</b>	<b>17</b>
							2xxx	<b>Total liabilities</b>		<b>560,466</b>	<b>37</b>	<b>1,010,576</b>	<b>56</b>
								<b>Equity attributed to owners of parent company</b>	(4) / (6).11&12				
							3100	Share capital					
							3110	Common share capital		337,470	23	293,225	16
							3200	Capital surplus		330,835	22	202,412	11
							3300	Retained earnings					
							3310	Legal reserve		45,095	3	30,372	2
							3320	Special reserve		-	-	90	-
							3350	Undistributed earnings		255,862	17	267,678	15
								<b>Total retained earnings</b>		<b>300,957</b>	<b>20</b>	<b>298,140</b>	<b>17</b>
							3400	Other equity		1,591	-	224	-
							3500	Treasury stocks		(34,428)	(2)	-	-
							31xx	<b>Total equity attributed to owners of parent company</b>		<b>936,425</b>	<b>63</b>	<b>794,001</b>	<b>44</b>
							3xxx	<b>Total equity</b>		<b>936,425</b>	<b>63</b>	<b>794,001</b>	<b>44</b>
1xxx	<b>Total assets</b>		<b>\$1,496,891</b>	<b>100</b>	<b>\$1,804,577</b>	<b>100</b>		<b>Total liabilities and equity</b>		<b>\$1,496,891</b>	<b>100</b>	<b>\$1,804,577</b>	<b>100</b>

(Please refer to Notes to Consolidated Financial Statements)

Yuh Shan Environmental Engineering Co., Ltd and its subsidiaries

Consolidated Statement of Income

From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	(4) / (6) 13	\$1,239,146	100	\$1,715,266	100
5000	Operating costs	(6). 10 & 15 & 16 / (7)	(975,528)	(79)	(1,351,498)	(79)
5900	Gross profit		263,618	21	363,768	21
6000	Operating expenses	(6). 10&12&15&16 / (7)				
6100	Sales expense		(33,117)	(3)	(32,948)	(2)
6200	Administrative expenses		(85,866)	(7)	(105,197)	(6)
6300	R&D expenses		(27,900)	(2)	(26,219)	(1)
	Total operating expenses		(146,883)	(12)	(164,364)	(9)
6900	Operating profit		116,735	9	199,404	12
7000	Non-operating income and expenses	(6). 17/(7)				
7100	Interest income		4,623	-	3,415	-
7010	Other non-operating income		9,842	1	7,353	-
7020	Other gains and losses		(2,487)	-	(2,554)	-
7050	Financial cost		(8,564)	(1)	(24,008)	(1)
	Total non-operating income and expenses		3,414	-	(15,794)	(1)
7900	Net income before tax		120,149	9	183,610	11
7950	Income tax expense	(4) / (6) 18	(18,264)	(1)	(36,383)	(2)
8000	Net profit of continuing operations for the period		101,885	8	147,227	9
8200	Net profit for the period		101,885	8	147,227	9
8300	Other comprehensive income					
8360	Items that may be reclassified to profit or loss in the future					
8361	Exchange differences in the translation of financial statements of foreign operations		1,709	-	392	-
8399	Income tax related to items that may be reclassified	(4) / (6) 18	(342)	-	(78)	-
	Other comprehensive income (net after tax) for the period		1,367	-	314	-
8500	Total comprehensive income for the period		\$103,252	8	\$147,541	9
8600	Net profit attributable to:					
8610	Owner of parent company		\$101,885	8	\$147,227	9
8700	Total comprehensive income attributable to:					
8710	Owner of parent company		\$103,252	8	\$147,541	9
	Earnings per share (NT\$)	(6). 19				
9750	Basic earnings per share		\$3.09		\$5.06	
9850	Diluted earnings per share		\$3.05		\$4.96	

(Please refer to Notes to Consolidated Financial Statements)

Yuh Shan Environmental Engineering Co., Ltd and its subsidiaries  
Consolidated Statement of Changes in Equity  
From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	Share capital 3100	Capital surplus 3200	Retained earnings			Other equity items	Treasury stocks 3500	Total equity 3XXX
				Legal reserve 3310	Special reserve 3320	Undistributed earnings 3350	Exchange differences in the translation of financial statements of foreign operations 3410		
A1	Balance on January 1, 2024	\$290,000	\$189,716	\$20,817	\$-	\$188,096	(\$90)	\$-	\$688,539
	Allocation and distribution of 2023 earnings								
B1	Provision of legal reserve	-	-	9,555	-	(9,555)	-	-	-
B3	Provision of special reserve	-	-	-	90	(90)	-	-	-
B5	Cash dividends on common shares	-	-	-	-	(58,000)	-	-	(58,000)
C17	Other changes in capital surplus	-	15	-	-	-	-	-	15
D1	2024 net profit	-	-	-	-	147,227	-	-	147,227
D3	Other comprehensive income in 2024	-	-	-	-	-	314	-	314
D5	Total comprehensive income for the period	-	-	-	-	147,227	314	-	147,541
N1	Share-based payment transactions	3,225	12,681	-	-	-	-	-	15,906
Z1	Balance on December 31, 2024	\$293,225	\$202,412	\$30,372	\$90	\$267,678	\$224	\$-	\$794,001
A1	Balance on January 1, 2025	\$293,225	\$202,412	\$30,372	\$90	\$267,678	\$224	\$-	\$794,001
	Allocation and distribution of 2024 earnings								
B1	Provision of legal reserve	-	-	14,723	-	(14,723)	-	-	-
B5	Cash dividends on common shares	-	-	-	-	(99,068)	-	-	(99,068)
B17	Reversal of special reserve	-	-	-	(90)	90	-	-	-
D1	2025 net profit	-	-	-	-	101,885	-	-	101,885
D3	Other comprehensive income in 2025	-	-	-	-	-	1,367	-	1,367
D5	Total comprehensive income for the period	-	-	-	-	101,885	1,367	-	103,252
E1	Cash capital increase	37,000	119,710	-	-	-	-	-	156,710
L1	Repurchase of treasury shares	-	-	-	-	-	-	(34,428)	(34,428)
N1	Share-based payment transactions	7,245	8,713	-	-	-	-	-	15,958
Z1	Balance on December 31, 2025	\$337,470	\$330,835	\$45,095	\$-	\$255,862	\$1,591	(\$34,428)	\$936,425

(Please refer to Notes to Consolidated Financial Statements)

Yuh Shan Environmental Engineering Co., Ltd and its subsidiaries

Consolidated Cash Flow Statement

From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	Cash flow from operating activities			BBBB	Cash flows from investing activities		
A10000	Net income before tax for the period	\$120,149	\$183,610	B02700	Acquisition of property, plant and equipment	(32,267)	(101,466)
A20000	Adjustment items:			B02800	Disposal of property, plant and equipment	312	471
A20010	Income and expense items			B04500	Acquisition of intangible assets	(2,095)	(2,443)
A20100	Depreciation expense	94,693	76,758	B06600	Decrease in other financial assets	146,421	14,461
A20200	Amortization expenses	3,095	1,587	B06700	Increase in other non-current assets	(19,457)	-
A20900	Interest expense	8,564	24,008	B06800	Decrease in other non-current assets	-	21,273
A21200	Interest income	(4,623)	(3,415)	BBBB	Net cash inflow (outflow) from investing activities	92,914	(67,704)
A21900	Share-based payment remuneration costs	4,452	10,907				
A22500	Losses (gains) from disposal and scrapping of property, plant and equipment	(229)	3,687	CCCC	Cash flow from financing activities		
A23100	Loss from disposal of investment	2,399	-	C00200	Decrease in short-term borrowings	(103,949)	(149,776)
A29900	Other items	(4)	-	C00500	Increase in short-term notes payable	49,982	-
A30000	Changes in assets/liabilities related to operating activities:			C01600	Borrowed long-term borrowing	134,046	520,718
A31125	Contractual assets - current	84,552	378,236	C01700	Repaid of long-term borrowings	(422,115)	(404,935)
A31130	Notes receivable	2,845	(2,845)	C04020	Repayment of the lease principal	(15,684)	(16,085)
A31150	Accounts Receivable	(42,975)	(140,193)	C04300	Increase in other non-current liabilities	-	2,625
A31180	Other receivables	(14)	1,693	C04400	Decrease in other non-current liabilities	(2,625)	-
A31200	Inventories	(167)	289	C04500	Payment of cash dividends	(99,068)	(58,000)
A31230	Prepayment	(40,239)	73,555	C04600	Cash capital increase	156,710	-
A31240	Other current assets	6,255	12,212	C04800	Subscription options exercised by employees	11,506	4,999
A32125	Contract liabilities - current	21	(6,099)	C04900	Repurchase of treasury shares	(34,428)	-
A32130	Notes payable	-	286	C09900	Other financing activities	-	15
A32150	Accounts payable	(90,825)	(309,203)	CCCC	Net cash outflow from financing activities	(325,625)	(100,439)
A32180	Other payables	(23,061)	35,864				
A32200	Liability reserve	35,519	5,775				
A32230	Other current liabilities	100	57				
A33000	Cash generated from operations	160,507	346,769				
A33100	Interest received	4,623	3,415	DDDD	The impact of exchange rate fluctuations on cash and cash equivalents	(683)	385
A33300	Interest paid	(8,281)	(23,482)	EEEE	Increase (decrease) in cash and cash equivalents for the period	(104,918)	105,963
A33500	Income tax paid	(28,373)	(52,981)	E00100	Beginning balance of cash and cash equivalents	335,086	229,123
AAAA	Net cash inflow from operating activities	128,476	273,721	E00200	Ending balance of cash and cash equivalents	\$230,168	\$335,086

(Please refer to Notes to Consolidated Financial Statements)

## [Attachment 3] 2025 Independent Auditor's Report and Parent-Company Only Financial statements

### Independent Auditors' Report

To: Yuh Shan Environmental Engineering Co., Ltd

#### **Auditors' Opinions**

We have audited the accompanying parent-company only financial statements of Yuh Shan Environmental Engineering Co., Ltd (the "Company") which comprise the parent-company only balance sheets as of December 31, 2025 and 2024, and the parent-company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent-company only financial statements").

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

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant, 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 parent-company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent-company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue Recognition – Environmental Engineering Contracts

The environmental engineering contracts of the Company are performed gradually over time, and revenue for each period is recognized based on the degree of completion. The degree of completion is measured by the cumulative contract costs incurred as a percentage of the estimated total contract costs. The assumptions used in estimating the total contract costs may involve the management's estimates and judgments, which may affect the calculation of the percentage of completion and the revenue from projects. Therefore, we consider the decision of revenue recognition as a key audit matter.

Our audit procedures include (but are not limited to) evaluating the appropriateness of the accounting policy recognizing revenues, testing the effectiveness of the internal controls established by the management for revenue recognition, including understanding and testing the internal controls related to the accuracy of percentage-of-completion estimates and project revenue calculations, evaluating the reasonableness of the management's estimates of future costs based on past experience, reviewing the evaluation documents and approval procedures performed by the management on estimates of total contract costs, degree of contract completion and onerous contracts, performing detailed tests to confirm the authenticity of cost incurrence, verifying whether accounting records reflect expected contract losses, sampling and reviewing major contracts, and interviewing the management to understand the specific terms and risks of each contract. We also consider the appropriateness of the disclosure of operating revenue in Notes (4), (5), and (6) to the parent-company only financial statements.

### **Responsibilities of Management and Those Charged with Governance for the parent-company only Financial Statements**

The responsibility of the management is to prepare financial statements that fairly express the Company's position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, and to maintain such internal control as the management determines is necessary to enable the preparation of the parent-company only financial statements free from material misstatement, whether due to fraud or error.

In preparing the parent-company only financial statements, management is responsible for assessing the Company's ability 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' Responsibilities for the Audit of the Parent-Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent-company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company only financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company only 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 control relevant 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 control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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 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 parent-company only 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 a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company only financial statements, including the disclosures, and whether the parent-company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of

entities or business activities within the Company to express an opinion on the parent-company only 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 we identify during our audit.

We also provided the governing body with information that the personnel of the firm to which we belong subject to the norms of independence have complied with the independence statement in the Norm of Professional Ethics for Certified Public Accountant, and communicated with the governing body all relationships and other matters (including relevant safeguarding measures) that may be considered to affect the auditor's independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter 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.

EY Taiwan

Approval from the competent authority for preparing the financial reports of publicly companies

Verification of visa number: Jin-Guan-Zheng-Liu-Zi No. 0970038990

Document No. of Audit and Attestation: Jin-Guan-Zheng-Shen-Zi No. 1100352201

Calvin Chen

CPA:

Dick Hung

March 9, 2026

Yuh Shan Environmental Engineering Co., Ltd  
Parent-Company Only Balance Sheet  
December 31, 2025 and December 31, 2024

Unit: NT\$thousand

Assets			December 31, 2025		December 31, 2024		Liabilities and equity			December 31, 2025		December 31, 2024	
Code	Accounting Item	Note	Amount	%	Amount	%	Code	Accounting Item	Note	Amount	%	Amount	%
	Current assets							Current liabilities					
1100	Cash and cash equivalents	(4) / (6).1	\$207,566	14	\$326,706	18	2100	Short-term loans	(4) / (6).8	\$20,000	1	123,949	7
1140	Contractual assets - current	(4) / (6).14&15	626,830	42	693,285	38	2110	Short-term bills payable	(4) / (6).9	49,982	4	-	-
1150	Notes receivable	(4) / (6).2&15	-	-	1,538	-	2130	Contract liabilities - current	(4) / (6).14	20,147	1	20,126	1
1170	Accounts Receivable	(4) / (6).3&15	267,494	18	222,688	12	2150	Notes payable	(4)	286	-	286	-
1200	Other receivables	(4)	13	-	-	-	2170	Accounts payable	(4)	49,623	4	140,269	8
130x	Inventories	(4)	701	-	534	-	2200	Other payables	(4)	136,632	9	163,977	9
1410	Prepayment	(4) / (6).4	68,080	5	27,818	2	2230	Income tax liabilities for the current period	(4)	5,330	-	17,095	1
1476	Other financial assets – current	(4) / (8)	77,174	5	223,595	12	2250	Liability reserve - current	(4)	47,141	3	9,432	1
1479	Other current assets		4,575	-	10,830	1	2280	Lease liabilities - current	(4) / (6).16	6,082	-	13,590	1
11xx	Total current assets		1,252,433	84	1,506,994	83	2322	Long-term borrowings maturing within one year or one operating cycle	(4) / (6).10	112,677	8	205,797	11
	Non-current assets						2399	Other current liabilities		1,728	-	1,628	-
1550	Investments using equity method	(4) / (6).5	22,222	1	28,797	2	21xx	Total current liabilities		449,628	30	696,149	39
1600	Property, plant and equipment	(4) / (6).6 / (8)	162,266	11	214,267	12		Non-current liabilities					
1755	Right-of-use assets	(4) / (6).16	8,224	-	17,847	1	2540	Long-term bank borrowing	(4) / (6).10	107,645	7	302,594	17
1780	Intangible assets	(4) / (6).7	1,356	-	2,356	-	2550	Liability reserve - non-current	(4)	200	-	2,390	-
1840	Deferred income tax assets	(4) / (6).19	10,666	1	13,515	1	2570	Deferred income tax liabilities	(4) / (6).19	398	-	1,249	-
1900	Other non-current assets		39,048	3	19,591	1	2580	Lease liabilities - non-current	(4) / (6).16	1,919	-	4,359	-
15xx	Total non-current assets		243,782	16	296,373	17	2600	Other non-current liabilities		-	-	2,625	-
							25xx	Total non-current liabilities		110,162	7	313,217	17
							2xxx	Total liabilities		559,790	37	1,009,366	56
							31xx	Equity	(4) / (6).12&13				
							3100	Share capital					
							3110	Common share capital		337,470	23	293,225	16
							3200	Capital surplus		330,835	22	202,412	11
							3300	Retained earnings					
							3310	Legal reserve		45,095	3	30,372	2
							3320	Special reserve		-	-	90	-
							3350	Undistributed earnings		255,862	17	267,678	15
								Total retained earnings		300,957	20	298,140	17
							3400	Other equity		1,591	-	224	-
							3500	Treasury shares		(34,428)	(2)	-	-
							3xxx	Total equity		936,425	63	794,001	44
1xxx	Total assets		\$1,496,215	100	\$1,803,367	100		Total liabilities and equity		\$1,496,215	100	\$1,803,367	100

(Please refer to the notes to the parent-company only financial statements)

Yuh Shan Environmental Engineering Co., Ltd

Parent-Company Only Comprehensive Income Statement

From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	(4) / (6).14	\$1,237,367	100	\$1,676,187	100
5000	Operating costs	(6). 11&16&17	(975,256)	(79)	(1,325,878)	(79)
5900	Gross profit		262,111	21	350,309	21
6000	Operating expenses	(6).11&13&16&17 / (7)				
6100	Sales expense		(29,352)	(2)	(30,955)	(2)
6200	Administrative expenses		(80,910)	(7)	(98,893)	(6)
6300	R&D expenses		(27,900)	(2)	(26,219)	(1)
	Total operating expenses		(138,162)	(11)	(156,067)	(9)
6900	Operating profit		123,949	10	194,242	12
7000	Non-operating income and expenses	(6). 18				
7100	Interest income		4,611	-	3,400	-
7010	Other non-operating income		8,474	1	7,004	-
7020	Other gains and losses		(2,433)	-	(2,845)	-
7050	Financial cost		(8,564)	(1)	(24,008)	(1)
7070	Share of subsidiary profit or loss recognized using the equity method	(4)	(5,870)	-	5,764	-
	Total non-operating income and expenses		(3,782)	-	(10,685)	(1)
7900	Net income before tax		120,167	10	183,557	11
7950	Income tax expense	(4) / (6).19	(18,282)	(2)	(36,330)	(2)
8000	Net profit of continuing operations for the period		101,885	8	147,227	9
8200	Net profit for the period		101,885	8	147,227	9
8300	Other comprehensive income					
8360	Items that may be reclassified to profit or loss in the future					
8361	Exchange differences in the translation of financial statements of foreign operations		1,709	-	392	-
8399	Income tax related to items that may be reclassified	(4) / (6).19	(342)	-	(78)	-
	Other comprehensive income (net after tax) for the period		1,367	-	314	-
8500	Total comprehensive income for the period		\$103,252	8	\$147,541	9
	Earnings per share (NT\$)	(6). 20				
9750	Basic earnings per share		\$3.09		\$5.06	
9850	Diluted earnings per share		\$3.05		\$4.96	

(Please refer to the notes to the parent-company only financial statements)

Yuh Shan Environmental Engineering Co., Ltd  
Parent-Company Only Statement of Changes in Equity  
From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	Share capital 3100	Capital surplus 3200	Retained earnings			Other equity items	Treasury shares 3500	Total equity 3XXX
				Legal reserve 3310	Special reserve 3320	Undistributed earnings 3350	Exchange differences in the translation of financial statements of foreign operations 3410		
A1	Balance on January 1, 2024	\$290,000	\$189,716	\$20,817	\$-	\$188,096	(\$90)	\$-	\$688,539
	Allocation and distribution of 2023 earnings								
B1	Provision of legal reserve	-	-	9,555	-	(9,555)	-	-	-
B3	Provision of special reserve	-	-	-	90	(90)	-	-	-
B5	Cash dividends on common shares	-	-	-	-	(58,000)	-	-	(58,000)
C17	Other changes in capital surplus	-	15	-	-	-	-	-	15
D1	2024 net profit	-	-	-	-	147,227	-	-	147,227
D3	Other comprehensive income in 2024	-	-	-	-	-	314	-	314
D5	Total comprehensive income for the period	-	-	-	-	147,227	314	-	147,541
N1	Share-based payment transactions	3,225	12,681	-	-	-	-	-	15,906
Z1	Balance on December 31, 2024	\$293,225	\$202,412	\$30,372	\$90	\$267,678	\$224	\$-	\$794,001
A1	Balance on January 1, 2025	\$293,225	\$202,412	\$30,372	\$90	\$267,678	\$224	\$-	\$794,001
	Allocation and distribution of 2024 earnings								
B1	Provision of legal reserve	-	-	14,723	-	(14,723)	-	-	-
B5	Cash dividends on common shares	-	-	-	-	(99,068)	-	-	(99,068)
B17	Reversal of special reserve	-	-	-	(90)	90	-	-	-
D1	2025 net profit	-	-	-	-	101,885	-	-	101,885
D3	Other comprehensive income in 2025	-	-	-	-	-	1,367	-	1,367
D5	Total comprehensive income for the period	-	-	-	-	101,885	1,367	-	103,252
E1	Cash capital increase	37,000	119,710	-	-	-	-	-	156,710
L1	Repurchase of treasury shares	-	-	-	-	-	-	(34,428)	(34,428)
N1	Share-based payment transactions	7,245	8,713	-	-	-	-	-	15,958
Z1	Balance on December 31, 2025	\$337,470	\$330,835	\$45,095	\$-	\$255,862	\$1,591	(\$34,428)	\$936,425

(Please refer to the notes to the parent-company only financial statements)

Yuh Shan Environmental Engineering Co., Ltd  
Parent-Company Only Cash Flow Statement  
From January 1 to December 31, 2025 and 2024

Unit: NT\$thousand

Code	Item	2025	2024	Code	Item	2025	2024
		Amount	Amount			Amount	Amount
AAAA	Cash flow from operating activities			BBBB	Cash flows from investing activities		
A10000	Net income before tax for the period	\$120,167	\$183,557	B01800	Acquisition of investments using the equity method	-	(19,389)
A20000	Adjustment items:			B01900	Disposal of investments using the equity method	15	-
A20010	Income and expense items			B02700	Acquisition of property, plant and equipment	(32,267)	(101,307)
A20100	Depreciation expense	94,626	76,702	B02800	Disposal of property, plant and equipment	312	471
A20200	Amortization expenses	3,095	1,587	B04500	Acquisition of intangible assets	(2,095)	(2,443)
A20900	Interest expense	8,564	24,008	B06600	Decrease in other financial assets	146,421	14,461
A21200	Interest income	(4,611)	(3,400)	B06700	Increase in other non-current assets	(19,457)	-
A21900	Share-based payment remuneration costs	4,452	10,907	B06800	Decrease in other non-current assets	-	21,273
A22400	Share of subsidiary loss (profit) recognized using the equity method	5,870	(5,764)	BBBB	Net cash inflow (outflow) from investing activities	92,929	(86,934)
A22500	Losses (gains) from disposal and scrapping of property, plant and equipment	(229)	3,687				
A23100	Loss from disposal of investment	2,399	-	CCCC	Cash flow from financing activities		
A29900	Other items	(4)	-	C00200	Decrease in short-term borrowings	(103,949)	(149,776)
A30000	Changes in assets/liabilities related to operating activities:			C00500	Increase in short-term notes payable	49,982	-
A31125	Contractual assets - current	66,455	395,942	C01600	Borrowed long-term borrowing	134,046	520,718
A31130	Notes receivable	1,538	(1,538)	C01700	Repaid of long-term borrowings	(422,115)	(404,935)
A31150	Accounts Receivable	(44,806)	(138,362)	C04020	Repayment of the lease principal	(15,684)	(16,085)
A31180	Other receivables	(13)	1,500	C04300	Increase in other non-current liabilities	-	2,625
A31200	Inventories	(167)	289	C04400	Decrease in other non-current liabilities	(2,625)	-
A31230	Prepayment	(40,262)	73,348	C04500	Payment of cash dividends	(99,068)	(58,000)
A31240	Other current assets	6,255	12,212	C04600	Cash capital increase	156,710	-
A32125	Contract liabilities - current	21	(6,099)	C04800	Subscription options exercised by employees	11,506	4,999
A32130	Notes payable	-	286	C04900	Repurchase of treasury shares	(34,428)	-
A32150	Accounts payable	(90,646)	(309,338)	C09900	Other financing activities	-	15
A32180	Other payables	(22,706)	36,082	CCCC	Net cash outflow from financing activities	(325,625)	(100,439)
A32200	Liability reserve	35,519	5,775				
A32230	Other current liabilities	100	57				
A33000	Cash generated from operations	145,617	361,438				
A33100	Interest received	4,611	3,400				
A33300	Interest paid	(8,281)	(23,482)	EEEE	Increase (decrease) in cash and cash equivalents for the period	(119,140)	101,055
A33500	Income tax paid	(28,391)	(52,928)	E00100	Beginning balance of cash and cash equivalents	326,706	225,651
AAAA	Net cash inflow from operating activities	113,556	288,428	E00200	Ending balance of cash and cash equivalents	\$207,566	\$326,706

(Please refer to the notes to the parent-company only financial statements)

[Attachment 4]

Yuh Shan Environmental Engineering Co., Ltd  
Audit Committee's Review Report

The Company's 2025 business report, financial statements and proposal of earnings distribution were submitted by the Company's Board of Directors. Of which, the financial statements were audited by the Certified Public Accountants of EY Taiwan, Calvin Chen and Dick Hung, and issued an unqualified audit report. The Audit Committee, after completing the audit of said business report, financial statements and statement of earnings distribution, believes that they are free of inconsistency, and thus produces this report according to Article 219 of the Company Act. Please review accordingly.

To

2025 General Shareholders' Meeting of Yuh Shan Environmental Engineering Co., Ltd.

Convener of the Audit Committee: Huang, Po-Hsin

March 10, 2026

[Attachment 5]

Yuh Shan Environmental Engineering Co., Ltd  
2025 Earnings Distribution Statement

Item:	Amount
Retained undistributed earnings from the previous year	153,977,145
Plus: Net profit after tax for the current year	101,884,710
Less: 10% of profit provided as legal reserve	10,188,471
Distributable earnings	245,673,384
Distribution item:	
Dividend to shareholders - cash (\$1.8 per share)	58,944,600
Distribution of earnings at the end of the period	186,728,784
Notes:	
<ol style="list-style-type: none"> <li>1. Priority will be given to the distribution of 2025 earnings</li> <li>2. For the cash dividend distribution, the fractional shares to be distributed for less than NT\$ will included in the Company's other income</li> <li>3. The cash dividend to shareholders this year is NT\$58,944,600, and NT\$1.8 per share is expected to be distributed, which will be distributed based on the shareholders and their shares held on the shareholder roster as of the ex-dividend date, and the said distribution ratio is calculated based on the total number of actual outstanding shares of the Company as of March 09, 2026, which is 32,747,000 shares. Upon the approval of the shareholders' meeting, it is intended to authorize the Board of Directors to determine the ex-dividend date and related matters.</li> <li>4. If there is a change in the dividend ratio per share due to a change in the number of common shares, the board of directors is authorized to handle it with full authority.</li> </ol>	

Chairman: Liu, Yuan-Hung

General Manager: Chang, Yu-Chi

Accounting Officer: Wu, Chun-Yen

## Yuh Shan Environmental Engineering Co., Ltd

### Comparison table of provisions before and after the amendments to the "Operating Procedures for Endorsement/Guarantee"

The name or provision of the amended procedures	The name or provision of the current procedures	Description
<p>Article 4: Amount of endorsement/guarantee</p> <p>I. The total amount of external endorsements and guarantees of the Company shall not exceed <u>250%</u> of the net worth of the Company; of which the amount of endorsements and guarantees for a single company shall not exceed <u>150%</u> of the net worth of the Company. The net worth shall be based on the financial statements of the most recent period audited and attested by CPAs.</p> <p>II. If an endorsement and guarantee is engaged in for a business relationship, except for the limits set forth in the preceding paragraph, the amount of individual endorsements and guarantees shall not exceed the amount of business transactions between the parties within</p>	<p>Article 4: Amount of endorsement/guarantee</p> <p>I. The total amount of external endorsements and guarantees of the Company shall not exceed <u>35%</u> of the net worth of the Company; of which the amount of endorsements and guarantees for a single company shall not exceed <u>15%</u> of the net worth of the Company. The net worth shall be based on the financial statements of the most recent period audited and attested by CPAs.</p> <p>II. If an endorsement and guarantee is engaged in for a business relationship, except for the limits set forth in the preceding paragraph, the amount of individual endorsements and guarantees shall not exceed the amount of business transactions between the parties within</p>	<p>The Company's upper limit for all endorsement and guarantee was increased to 250%, and the upper limit for one single entity was increased to 150%</p>

<p>the most recent year. The term "amount of business transactions" refers to the higher of the purchase or sales amount between the two parties.</p> <p>III. The total amount of endorsements and guarantees that the Company and its subsidiaries as a whole may provide shall not exceed 250% of the Company's net worth. If the total amount of endorsements and guarantees that the Company and its subsidiaries as a whole provides is 50% or more of the Company's net worth, the necessity and reasonableness of such endorsements and guarantees shall be explained at the shareholders' meeting.</p> <p>IV. Where the Company provides endorsement and guarantee to a subsidiary with net worth less than one half of the paid-in capital, <u>it shall regularly assess the risk connecting to the guarantee and submit such for the review of responsible unit, to control any possible risks arising from such endorsement and guarantee.</u> In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the</p>	<p>the most recent year. The term "amount of business transactions" refers to the higher of the purchase or sales amount between the two parties.</p> <p>III. The total amount of endorsements and guarantees that the Company and its subsidiaries as a whole may provide shall not exceed <u>50%</u> of the Company's net worth. If the total amount of endorsements and guarantees that the Company and its subsidiaries as a whole <u>may</u> provide is <u>40%</u> or more of the Company's net worth, <u>and</u> the necessity and reasonableness of such endorsements and guarantees shall be explained at the shareholders' meeting.</p> <p>IV. The Company <u>shall not</u> endorse or guarantee a subsidiary whose net worth is less than one-half of its paid-in capital. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation in the preceding paragraph, the sum of the share capital plus paid-in capital - in excess of par shall be substituted.</p>	<p>III. The upper limit for all endorsement and guarantee by the Company and its subsidiaries was increased to 250% The amendment adopts the same ratio as the laws and regulations.</p> <p>IV. The guarantee is made through control instead</p>
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<p>paid-in capital in the calculation in the preceding paragraph, the sum of the share capital plus paid-in capital - in excess of par shall be substituted.</p>		
<p>Article 5: Procedures for providing endorsement and guarantee</p> <p>I. When providing endorsements or guarantees for other companies, the applicant company shall provide basic information and financial information, and fill out an application form to submit an application to the Company; the staff in charge of the <u>finance unit</u> shall prudently assess the application with due diligence. The assessment items include the necessity and reasonableness of the endorsement and guarantee, the due diligence and risk assessment of the counterparty; in case of the endorsement and guarantee due to the business relationship, whether the amount of the endorsement and guarantee is equivalent to the amount of business transactions engaged in, the risks exposing to the Company's operation,</p>	<p>Article 5: Procedures for providing endorsement and guarantee</p> <p>I. When providing endorsements or guarantees for other companies, the applicant company shall provide basic information and financial information, and fill out an application form to submit an application to the Company; the staff in charge of the <u>finance unit</u> shall prudently assess the application with due diligence. The assessment items include the necessity and reasonableness of the endorsement and guarantee, the due diligence and risk assessment of the counterparty; in case of the endorsement and guarantee due to the business relationship, whether the amount of the endorsement and guarantee is equivalent to the amount of business transactions engaged in, the risks exposing to the</p>	<p>The Finance Department was changed to the financial unit</p>

<p>financial condition and shareholders' equity, and whether collateral and the value of collateral shall be obtained need to be assessed.</p> <p>II. The staff in charge of the finance <u>unit</u> shall compile the relevant information and evaluation results in the preceding paragraph, and submit them to the board of directors for approval; the resolution of the board of directors shall be implemented. <u>However, if the timeliness is required, for a single entity and the amount is within the limit of NT\$100 million, the chairman may first decide, and then submit it to the board of directors for ratification in accordance with the aforementioned procedures. However, a subsidiary in which the Company directly or indirectly holds more than 90% of the voting shares, an endorsement or guarantee may only be provided after being submitted to the board of directors of the Company for resolution pursuant to Paragraph 2 of Article 3.</u></p>	<p>Company's operation, financial condition and shareholders' equity, and whether collateral and the value of collateral shall be obtained need to be assessed.</p> <p>II. The staff in charge of the finance <u>unit</u> shall compile the relevant information and evaluation results in the preceding paragraph, and submit them to the board of directors for approval; the resolution of the board of directors shall be implemented.</p>	<p>The Finance Department was changed to the financial unit</p> <p>The period for the recess of the board of directors was extended, and the chairman is authorized to exercise the authority to make decisions.</p>
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<p><u>provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>III. The finance <u>unit</u> shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully assessed, the descriptions of the collaterals and the assessed values thereof, as well as the conditions and dates to relieve the endorsement/guarantee obligation.</p> <p>IV. Omitted.</p> <p>V. Omitted.</p> <p>VI. The finance <u>unit</u> shall regularly assess and recognize the contingent losses of endorsements and</p>	<p>III. The finance <u>unit</u> shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully assessed, the descriptions of the collaterals and the assessed values thereof, as well as the conditions and dates to relieve the endorsement/guarantee obligation.</p> <p>IV. Omitted</p> <p>V. Omitted</p> <p>VI. The finance <u>unit</u> shall regularly assess and recognize the contingent losses of endorsements and</p>	<p>The Finance Department was changed to the financial unit</p>
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<p>guarantees, appropriately disclose the endorsement and guarantee information in the financial reports, and provide relevant information to the attesting CPAs for the them to adopt the necessary audit procedures and issue a proper audit report.</p> <p>VII. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Procedures, or the set amount of endorsement/guarantee exceeds the limit due to the changes in the basis of limit calculation, the audit unit shall urge the finance <u>unit</u> to adopt rectification plans against the amount of endorsement/guarantee to the entity or the exceeding portion, and discharge the amount in excess at the expiration specified in the contract or within a given time limit. The rectification plan formulated by the Company shall be sent to each independent director, and the rectification shall be completed according to the</p>	<p>guarantees, appropriately disclose the endorsement and guarantee information in the financial reports, and provide relevant information to the attesting CPAs for the them to adopt the necessary audit procedures and issue a proper audit report.</p> <p>VII. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Procedures, or the set amount of endorsement/guarantee exceeds the limit due to the changes in the basis of limit calculation, the audit unit shall urge the finance <u>unit</u> to adopt rectification plans against the amount of endorsement/guarantee to the entity or the exceeding portion, and discharge the amount in excess at the expiration specified in the contract or within a given time limit. The rectification plan formulated by the Company shall be sent to each independent director, and the rectification shall be completed according to the</p>	
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<p>planned schedule. When the Company has appointed independent directors, the independent directors shall be notified in writing in accordance with subparagraphs 4 and 7 of the preceding paragraph</p>	<p>planned schedule. When the Company has appointed independent directors, the independent directors shall be notified in writing in accordance with subparagraphs 4 and 7 of the preceding paragraph</p>	
<p>Article 6: Detailed review procedures for endorsement/guarantees When the Company makes endorsements and guarantees, it shall conduct the following review procedures: I. The necessity of and reasonableness of endorsements/guarantees. When other companies apply for endorsements and guarantees from the Company or when the Company needs to apply for endorsements and guarantees due to its own business or operational needs, the <u>finance unit</u> shall first understand the purpose and assess the necessity and reasonableness of the endorsements and guarantees. II. Credit status and risk assessment of the entity for which the endorsement/guarantee is made. (I) For these entities to which the endorsement and guarantee is made for the</p>	<p>Article 6: Detailed review procedures for endorsement/guarantees When the Company makes endorsements and guarantees, it shall conduct the following review procedures: I. The necessity of and reasonableness of endorsements/guarantees. When other companies apply for endorsements and guarantees from the Company or when the Company needs to apply for endorsements and guarantees due to its own business or operational needs, the <u>Finance Department</u> shall first understand the purpose and assess the necessity and reasonableness of the endorsements and guarantees. II. Credit status and risk assessment of the entity for which the endorsement/guarantee is made. (I) For these entities to which the endorsement and guarantee is made for the first</p>	<p>The Finance Department was changed to the financial unit</p>

<p>first time, such entities shall submit a written application for endorsement and guarantee to the Company, along with the approval letter for change registration issued by Ministry of Economic Affairs, the change registration form, profit-seeking enterprise registration certificate, photocopy of ID card of the person in charge of the entity, and other company and financial information necessary for applying endorsement and guarantee to the Company in writing. After the Company accepts the application, the finance <u>unit</u> shall investigate and evaluate the business, financial status, and purpose of the endorsement and guarantee of the applicant entity, and prepare a report.</p> <p>(II) Omitted.</p> <p>III. III. Omitted</p> <p>IV. IV. For the guarantee of claims said in the preceding paragraph, if the debtor provides a guarantee provides guarantor, be it a person or company, with considerable financial resources and credit, instead of the collaterals, the board</p>	<p>time, such entities shall submit a written application for endorsement and guarantee to the Company, along with the approval letter for change registration issued by Ministry of Economic Affairs, the change registration form, profit-seeking enterprise registration certificate, photocopy of ID card of the person in charge of the entity, and other company and financial information necessary for applying endorsement and guarantee to the Company in writing. After the Company accepts the application, the Finance <u>Department</u> shall investigate and evaluate the business, financial status, and purpose of the endorsement and guarantee of the applicant entity, and prepare a report.</p> <p>(II) Omitted.</p> <p>III. Omitted</p> <p>IV. For the guarantee of claims said in the preceding paragraph, if the debtor provides a guarantee provides guarantor, be it a person or company, with considerable financial resources and credit, instead of the collaterals, the board of</p>	
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<p>of directors may refer to the due diligence report of the finance <u>unit</u>.</p> <p>V. Impact assessment on the company's business operations, financial condition, and shareholders' equity.</p> <p>(I) After credit investigation and evaluation, if the credit assessment of the endorsed and guaranteed company is not good, and it is not intended to endorse and guarantee it, the financial <u>unit</u>The reason for the decline shall be signed and approved by the application for the endorsed guarantee company as soon as possible.</p> <p>(II) For cases where the due diligence results include good credit and the purpose of endorsement and guarantee is justified, the finance <u>unit</u> shall fill out a due diligence and review report to assess the reasons, use, purpose, amount of the case, the value of the collateral provided, credit, and operation, as well as the impact on the Company's operational risks, financial condition, and shareholders' equity, before submit such to the board of directors for the</p>	<p>directors may refer to the due diligence report of the Finance <u>Department</u>.</p> <p>V. Impact assessment on the company's business operations, financial condition, and shareholders' equity.</p> <p>(I) After the due diligence and assessment, if the credit assessment of the applicant entity is not satisfactory and does not intend to make any endorsement and guarantee the entity, the Finance <u>Department</u> shall have the supervisors approve the reasons for the decline, and reply to the applicant entity as soon as possible.</p> <p>(II) For cases where the due diligence results include good credit and the purpose of endorsement and guarantee is justified, the finance <u>unit</u> shall fill out a due diligence and review report to assess the reasons, use, purpose, amount of the case, the value of the collateral provided, credit, and operation, as well as the impact on the Company's operational risks, financial condition, and shareholders' equity, before submit such to the board of directors for the resolution of</p>	
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<p>resolution of implementation.  (III) When the Company needs to provide endorsements and guarantees for its own business or operational needs, the financial <u>unit</u> shall also prepare a review report to assess the impact on the Company's operational risks, financial condition, and shareholders' equity, and submit such to the board of directors for resolution in accordance with Article 5.</p>	<p>implementation.  (III) When the Company needs to provide endorsements and guarantees for its own business or operational needs, the Financial <u>Department</u> shall also prepare a review report to assess the impact on the Company's operational risks, financial condition, and shareholders' equity, and submit such to the board of directors for resolution in accordance with Article 5.</p>	
<p>Article 14: These Operating Procedures are established on August 31, 2021.  The 1st amendment was made on June 23, 2025.  <u>The 2nd amendment was made on May 25, 2026.</u></p>	<p>Article 14: These Operating Procedures are established on August 31, 2021.  <u>These rules</u> were amended for the 1st time on June 23, 2025.</p>	<p>The date of amendment is added</p>

## Yuh Shan Environmental Engineering Co., Ltd

### Comparison table before and after the amendments to the "Operating Procedures for Acquisition and Disposal of Assets"

The name or provision of the amended procedures	The name or provision of the current procedures	Description
<p>Article 4 The Procedures and limits for the acquisition or disposal of assets by the Company are as follows:</p> <p>I. Omitted.</p> <p>II. Omitted.</p> <p>III. Omitted.</p> <p>IV. Omitted.</p> <p>V. Limits</p> <p>(I) Omitted.</p> <p>(II) The total amount of securities invested by the Company shall not exceed <u>200%</u> of the net worth. The total securities investment by each subsidiary of the Company shall not exceed <u>200%</u> of the net worth of the Company.</p> <p>(III) The amount of the Company's investment in individual securities shall not exceed <u>200%</u> of the net worth. The amount of</p>	<p>Article 4 The Procedures and limits for the acquisition or disposal of assets by the Company are as follows:</p> <p>I. Omitted.</p> <p>II. Omitted.</p> <p>III. Omitted.</p> <p>IV. Omitted.</p> <p>V. Limits</p> <p>(I) Omitted.</p> <p>(II) The total amount of securities invested by the Company shall not exceed <u>10%</u> of the net worth. The total securities investment by each subsidiary of the Company shall not exceed <u>10%</u> of the net worth of the Company.</p> <p>(III) The amount of the Company's investment in individual securities shall not exceed 10% of the net worth. The amount of investment in</p>	<p>purpose. The total upper limit is increased to 200%</p> <p>The individual limit is increased to 200%</p>

<p>investment in individual securities by each subsidiary of the Company shall not exceed <u>200%</u> of the net worth of the Company.</p> <p>The securities referred to in this paragraph do not include:</p> <ol style="list-style-type: none"> <li>1. A subsidiary in which the Company holds 100% stake.</li> <li>2. Government bonds, Corporate bonds, financial bonds, domestic and foreign currency funds, negotiable certificates of deposit, short-term commercial promissory notes and bank acceptance drafts and other low-risk investments obtained for the treasury purpose.</li> </ol>	<p>individual securities by each subsidiary of the Company shall not exceed <u>10%</u> of the net worth of the Company.</p> <p>The securities referred to in this paragraph do not include:</p> <ol style="list-style-type: none"> <li>1. A subsidiary in which the Company holds 100% stake.</li> <li>2. Government bonds, Corporate bonds, financial bonds, domestic and foreign currency funds, negotiable certificates of deposit, short-term commercial promissory notes and bank acceptance drafts and other low-risk investments obtained for the treasury purpose.</li> </ol>	
<p>Article 6 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p>	<p>Article 6 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p>	

<p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the</p>	<p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the</p>	
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<p>transaction amount meets any of the following criteria:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more <u>but less than NT\$50 billion</u>, the transaction amount reaches NT\$1 billion or more.</p> <p><u>(III) For a public company whose paid-in capital is NT\$50 billion, the transaction amount reaches 5 percent or more of paid-in capital.</u></p> <p>V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p>	<p>transaction amount meets any of the following criteria:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion, the transaction amount reaches NT\$1 billion or more.</p> <p>V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p>	<p>Addmended to accommodate the laws and regulations</p> <p>Added to accommodate the laws and regulations</p>
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<p><u>VI. In the case of a public company with paid-in capital reaching NT\$50 billion or more, transactions in government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets, which do not fall under any of the circumstances listed in the proviso of subparagraph 8, and where furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of paid-in capital.</u></p> <p><u>VII.</u> Where an asset transaction other than any of those referred to in the preceding <u>six</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of</p>	<p><u>VI.</u> Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Added to accommodate the laws and regulations</p> <p>Changes in numbering due to additional provisions</p>
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<p>Taiwan.</p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>		
<p>Article 10 Procedures for handling transactions with related party</p> <p>I-V. Omitted</p> <p>VI. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may authorize the chairman to decide such matters when the transaction is within NT\$<u>100</u> million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of</p>	<p>Article 10 Procedures for handling transactions with related party</p> <p>I-V. Omitted</p> <p>VI. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may authorize the chairman to decide such matters when the transaction is within NT\$<u>50</u> million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of</p>	<p>The authorization amount is increased to NT\$100 million</p>

real estate right-of-use assets for business use.	real estate right-of-use assets for business use.	
<p>Article 17 Records of additions and amendments</p> <p>If there is any matter not covered, such will be handled in accordance with relevant regulations.</p> <p>These Procedures were established on August 31, 2021.</p> <p>The 1st amendment was made on June 30, 2022.</p> <p>The 2nd amendment was made on August 30, 2023.</p> <p>The 3rd amendment was made on June 23, 2025.</p> <p><u>The 4th amendment was made on May 25, 2026</u></p>	<p>Article 17 Records of additions and amendments</p> <p>If there is any matter not covered, such will be handled in accordance with relevant regulations.</p> <p>These Procedures were established on August 31, 2021.</p> <p>The 1st amendment was made on June 30, 2022.</p> <p>The 2nd amendment was made on August 30, 2023.</p> <p>The 3rd amendment was made on June 23, 2025.</p>	<p>The date of amendment is added</p>

[Attachment 8]

# Yuh Shan Environmental Engineering Co., Ltd

## Comparison table before and after the amendment of the Sustainable Development Best Practice Principles

The name or provision of the amended procedures	The name or provision of the current procedures	Description
<p>Article 15</p> <p>The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, <u>production</u>, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:</p> <p>I. Reduce resource and energy consumption of their products and services.</p> <p>II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.</p>	<p>Article 15</p> <p>The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:</p> <p>I. Reduce resource and energy consumption of their products and services.</p> <p>II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.</p>	<p>Referring to the initiatives of the United Nations Convention on Biological Diversity, as well as the relevant laws and regulations on marine and nature conservation, the Company is advised to consider the impact of its operations on biodiversity and ecosystems to facilitate the sustainable operation of the enterprise. Therefore the text of the provision is amended with subparagraph 7 added.</p>

<p>III. Improve recyclability and reusability of raw materials or products.</p> <p>IV. Maximize the sustainability of renewable resources.</p> <p>V. Enhance the durability of products.</p> <p>VI. Improve efficiency of products and services.</p> <p><u>VII. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.</u></p>	<p>III. Improve recyclability and reusability of raw materials or products.</p> <p>IV. Maximize the sustainability of renewable resources.</p> <p>V. Enhance the durability of products.</p> <p>VI. Improve efficiency of products and services.</p>	
<p>Article 21</p> <p>The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. <u>It is advisable for the Company to establish placement programs to cultivate future industry talents.</u></p> <p>The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in</p>	<p>Article 21</p> <p>The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources,</p>	<p>In order to promote the integration of industry and academia and the career development of students, while encouraging the enterprises and schools to cooperate in cultivating talents for the win-win effect of industry and academia, paragraph 2 is added and the current paragraphs 2 to 3 are adjusted.</p>

<p>the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>and achieve the objective of sustainable operations.</p>	
<p>Article 32: The Principles were established on October 27, 2023.</p> <p>The 1st amendment was made on June 27, 2025.</p> <p><u>The 2nd amendment was made on May 25, 2026.</u></p>	<p>Article 32: The Principles were established on October 27, 2023.</p> <p>The 1st amendment was made on June 27, 2025.</p>	<p>The date of amendment is added</p>

[Attachment 9]

**Yuh Shan Environmental Engineering Co., Ltd**  
**Education and experience of director candidates**  
**(including independent directors).**

Nomination categories	Candidate name	Education	Experience	Current and concurrent positions
Director	Liu, Yuan-Hong	Master, Institute of Environmental Engineering, National Pingtung University of Science and Technology Bachelor, Department of Environmental Engineering, National Pingtung University of Science and Technology	Yuh Shan Environmental Engineering Co., Ltd. Company/Manager, General Manager, Chief Strategy Officer Environmental engineering technician	Chairman, Yuh Shan Environmental Engineering Co., Ltd. Representative, Chen Yu Investment Co., Ltd
Director	Chen Yu Investment Co., Ltd Liu, Ching-Shan	Master, Institute of International Business, National Taiwan University Bachelor of Law, Soochow University	American Family Life Assurance Company of Columbus/Manager, Administration Department TransGlobe Life Insurance Inc./Chief Administration Officer and Senior Vice President Phew! Insurance Network Co., Ltd./General Manager  Yuh Shan	None

			Environmental Engineering Co., Ltd./ Director Lawyers	
Director	Ching Yun Investment Co., Ltd Lin, Tsai-Lin	EMBA, National Pingtung University of Science and Technology Bachelor, Department of Veterinary Medicine, National Pingtung University of Science and Technology	Yuh Shan Environmental Engineering Co., Ltd. Company/Deputy Manager, Manager, Special Assistant	Special Assistant, Yuh Shan Environmental Engineering Co., Ltd
Director	GSD Enviro Tech (Taiwan) Co., Ltd.	Assigner: Tsai, Chang-Ting  Bachelor of Accounting, Soochow University	Senior manager, Deloitte Taiwan	Associate Vice President, the Corporate Finance Department, concurrent Corporate Governance Officer, GSD Technologies Co., Ltd.
Independent Director	Kong, Hui-Ping	Master of Business Administration, Hawaii Pacific University Graduated from the Department of Mathematics, Soochow University	Associate Deputy Manager, MasterLink Securities Corp	Supervisor, FormuRx Pharmaceuticals Co., Ltd Supervisor, Pulxion Medical Technology Independent director, Mitake Information Corporation

Independent Director	Huang, Po-Hsin	Bachelor, Department of Statistics, Tunghai University Master, Graduate Institute of Management Sciences, Tamkang University Ph.D., Institute of Resources Engineering, National Cheng Kung University	Meiho University Assistant Professor Accountant	Chair, Chenghong CPA Firm
Independent Director	Wu, Dai-Chang	Master Program, Department of Labor and Human Resources, Culture University Graduated from the Department of Electrical Engineering, Union Junior College of Technology	Manager of the Human Resources Department, Secretary of the Board of Directors and Spokesperson, Chung Hwa Chemical Industrial Works, Ltd.	Person in Charge, ePhoenix International Industrial Co., Ltd

[Attachment 10]

## Yuh Shan Environmental Engineering Co., Ltd Concurrent Positions of Directors (including independent directors)

Nomination categories	Candidate name	Current and concurrent positions
Director	Liu, Yuan-Hung	Chairman, Yuh Shan Environmental Engineering Co., Ltd Representative, Chen Yu Investment Co., Ltd
Director	Ching Yun Investment Co., Ltd Lin, Tsai-Lin	Special Assistant, Yuh Shan Environmental Engineering Co., Ltd
Director	Chen Yu Investment Co., Ltd Liu, Ching-Shan	None
Corporate Director	GSD Enviro Tech (Taiwan) Co., Ltd.	Assigner: Tsai, Chang-Yen Associate Vice President, the Corporate Finance Department, concurrent Corporate Governance Officer, GSD Technologies Co., Ltd.
Independent Director	Kong, Hui-Ping	Supervisor, FormuRx Pharmaceuticals Co., Ltd Supervisor, Pulxion Medical Technology Independent director, Mitake Information Corporation
Independent Director	Huang, Po-Hsin	Chair, Chenghong CPA Firm
Independent Director	Wu, Dai-Chang	Person in Charge, ePhoenix International Industrial Co., Ltd

[Appendix 1]

## **Yuh Shan Environmental Engineering Co., Ltd Operating Procedures for Endorsement/Guarantee (before amendments)**

Article 1: Purpose and legal basis

In order to protect the rights and interests of shareholders, improve the financial management of endorsements and guarantees, and reduce operating risks, these operating procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authority.

Article 2: Scope of application

The term "endorsements/guarantees" as used in these Procedures refers to the following:

- I. Financing endorsements/guarantees, including: bill discount financing, endorsement or guarantee made to meet the financing needs of another company, and issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
- II. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
- III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
- IV. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Procedures.

Article 3: Counterparties of endorsement/guarantee objects

The Company may make endorsements/guarantees for the following companies:

- I. A company with which it does business.
- II. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
- III. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

Companies in which the Company, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of

endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

If the industry guarantees each other in accordance with the provisions of the contract for the needs of the contracted project, or if all the contributing shareholders endorse and guarantee the invested company due to the joint investment relationship, they may be exempted from the restrictions set forth in the preceding two paragraphs.

Article 4: Amount of endorsement/guarantee

- I. The total amount of external endorsements and guarantees of the Company shall not exceed 35% of the net worth of the Company; of which the amount of endorsements and guarantees for a single company shall not exceed 15% of the net worth of the Company. The net worth shall be based on the financial statements of the most recent period audited and attested by CPAs.
- II. If an endorsement and guarantee is engaged in for a business relationship, except for the limits set forth in the preceding paragraph, the amount of individual endorsements and guarantees shall not exceed the amount of business transactions between the parties within the most recent year. The term "amount of business transactions" refers to the higher of the purchase or sales amount between the two parties.
- III. The total amount of endorsements and guarantees that the Company and its subsidiaries as a whole may provide shall not exceed 50% of the Company's net worth. If the total amount of endorsements and guarantees that the Company and its subsidiaries as a whole may provide is 40% or more of the Company's net worth, the necessity and reasonableness of such endorsements and guarantees shall be explained at the shareholders' meeting.
- IV. The Company shall not endorse or guarantee a subsidiary whose net worth is less than one-half of its paid-in capital. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation in the preceding paragraph, the sum of the share capital plus paid-in capital - in excess of par shall be substituted.
- V. The term "subsidiary" and "parent company" as used in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The net worth of the Company as used in these Procedures refers to the equity attributable to owners of the parent company in the balance sheet prepared by the Company in accordance with the Regulations Governing the Preparation of Financial

## Reports by Securities Issuers.

### Article 5: Procedures for providing endorsement and guarantee

- I. When providing endorsements or guarantees for other companies, the applicant company shall provide basic information and financial information, and fill out an application form to submit an application to the Company; the staff in charge of the Finance Department shall prudently assess the application with due diligence. The assessment items include the necessity and reasonableness of the endorsement and guarantee, the due diligence and risk assessment of the counterparty; in case of the endorsement and guarantee due to the business relationship, whether the amount of the endorsement and guarantee is equivalent to the amount of business transactions engaged in, the risks exposing to the Company's operation, financial condition and shareholders' equity, and whether collateral and the value of collateral shall be obtained need to be assessed.
- II. The staff in charge of the Finance Department shall compile the relevant information and evaluation results in the preceding paragraph, and submit them to the board of directors for approval; the resolution of the board of directors shall be implemented.
- III. The Finance Department shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully assessed, the descriptions of the collaterals and the assessed values thereof, as well as the conditions and dates to relieve the endorsement/guarantee obligation.
- IV. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the independent directors in writing of any material violation found.
- V. When the entity to which the endorsement/guarantee is provided settle the borrowings, it shall notify the Company of the settlement information so that the Company's obligation to guarantee the borrowings can be relieved, and such information shall be recorded in the memorandum book.
- VI. The Finance Department shall regularly assess and recognize the contingent losses of endorsements and guarantees, appropriately disclose the endorsement and guarantee information in the financial reports, and provide relevant

information to the attesting CPAs for the them to adopt the necessary audit procedures and issue a proper audit report.

VII Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Procedures, or the set amount of endorsement/guarantee exceeds the limit due to the changes in the basis of limit calculation, the audit unit shall urge the Finance Department to adopt rectification plans against the amount of endorsement/guarantee to the entity or the exceeding portion, and discharge the amount in excess at the expiration specified in the contract or within a given time limit. The rectification plan formulated by the Company shall be sent to each independent director, and the rectification shall be completed according to the planned schedule.

When the Company has appointed independent directors, the independent directors shall be notified in writing in accordance with subparagraphs 4 and 7 of the preceding paragraph

Article 6: Detailed review procedures for endorsement/guarantees

When the Company makes endorsements and guarantees, it shall conduct the following review procedures:

- I. The necessity of and reasonableness of endorsements/guarantees.  
When other companies apply for endorsements and guarantees from the Company or when the Company needs to apply for endorsements and guarantees due to its own business or operational needs, the Finance Department shall first understand the purpose and assess the necessity and reasonableness of the endorsements and guarantees.
- II. Credit status and risk assessment of the entity for which the endorsement/guarantee is made.
  - (I) For these entities to which the endorsement and guarantee is made for the first time, such entities shall submit a written application for endorsement and guarantee to the Company, along with the approval letter for change registration issued by Ministry of Economic Affairs, the change registration form, profit-seeking enterprise registration certificate, photocopy of ID card of the person in charge of the entity, and other company and financial information necessary for applying endorsement and guarantee to the Company in writing. After the Company accepts the application, the Finance Department shall investigate and evaluate the business, financial status, and purpose of the endorsement and guarantee of the applicant entity, and prepare a report.

- (II) If it is a renewal of endorsement and guarantee, in principle, a due diligence shall be conducted once a year. If it is a material endorsement and guarantee, a due diligence will be conducted every six months depending on actual needs.
- III. The acquisition of collaterals and the appraisal values thereof  
The Company may require the entity to which the endorsement and guarantee is made to provide a promissory note, movable or immovable property as collateral as actual needs, and shall conduct an appraisal of the value of the movable or immovable property to be mortgaged in advance.
- IV. For the guarantee of claims said in the preceding paragraph, if the debtor provides a guarantee provides guarantor, be it a person or company, with considerable financial resources and credit, instead of the collaterals, the board of directors may refer to the due diligence report of the Finance Department.
- V. Impact assessment on the company's business operations, financial condition, and shareholders' equity.
  - (I) After the due diligence and assessment, if the credit assessment of the applicant entity is not satisfactory and does not intend to make any endorsement and guarantee the entity, the Finance Department shall have the supervisors approve the reasons for the decline, and reply to the applicant entity as soon as possible.
  - (II) For cases where the due diligence results include good credit and the purpose of endorsement and guarantee is justified, the Finance Department shall fill out a due diligence and review report to assess the reasons, use, purpose, amount of the case, the value of the collateral provided, credit, and operation, as well as the impact on the Company's operational risks, financial condition, and shareholders' equity, before submit such to the board of directors for the resolution of implementation.
  - (III) When the Company needs to provide endorsements and guarantees for its own business or operational needs, the Financial Department shall also prepare a review report to assess the impact on the Company's operational risks, financial condition, and shareholders' equity, and submit such to the board of directors for resolution in accordance with Article 5.

Article 7: Procedures for the use and safekeeping of seals

- I. For conducting matters of endorsement/guarantee, other than the seal specific to bill that used for issuing the promissory bills, the seal specific to endorsement/guarantee is the company seal used to apply for the registration to the Ministry of Economic Affairs.

- II. The Company's seal specific to bill and the company seal shall be kept by a dedicated person, and the bill shall be sealed or issued in accordance with the procedures prescribed by the Company. The custodian of the seal referred to in the preceding paragraph shall be report to the board of directors for approval. The same applies when changing.

When making a guarantee for an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

Article 8: Hierarchy of decision-making authority and delegation thereof.

- I. Before the Company provides endorsement/guarantees for others, it shall carefully evaluate whether it complies with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and these Operating Procedures, and submit the evaluation results along with the assessment results of Article 6, to the board of directors for resolution in accordance with Article 5.

Material endorsements and guarantees shall be approved by the Audit Committee and submitted to the Board of Directors for resolution.

During the discussions of the board of directors, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

- II. Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operating Procedures are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operating Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

Article 9: Public announcement and reporting procedures (after the public offering of shares by the Company)

- I. The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.
- II. Other than the provision of the preceding paragraph, when the Company's

balance of endorsements/guarantees reaches one of the following levels, it shall announce and report such event within two days commencing immediately from the date of occurrence:

- (I) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
  - (II) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
  - (III) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.
  - (IV) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
- III The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.
- IV. "Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount, whichever date is earlier.

Article 10: Procedures for controlling and managing endorsements/guarantees by subsidiaries.

- I. Where a subsidiary of the Company intends to provide an endorsement and guarantee for another person, the Company shall order the subsidiary to establish the "Operating Procedures for Endorsement/Guarantee" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," and the prescribed operating procedures shall be complied with. The "Operating Procedures for Endorsement/Guarantee" shall be approved by the subsidiary's board of directors and shall be sent to the Company for approval by correspondence, and the same shall apply when amended. However, the net worth is calculated based on the net worth of the subsidiary.
- II. The subsidiary shall prepare a statement of endorsements and guarantees for

others in the previous month in detail before the 5th day of each month and submit such to the Company.

- III. When the Company's auditors conduct audits at the subsidiary according to the annual audit plan, they shall also understand the implementation of the subsidiary's Operating Procedures for Endorsement/Guarantee for Others. If any defect is found, the improvement shall be tracked continuously, with the tracking report prepared to be submitted to the head of the audit unit, so that the appropriate improving measures are ensured to be taken in a timely manner.

#### Article 11: Penalties

If the relevant staff in charge of the Company's endorsement and guarantee violate the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authority or these Procedures, the following provisions shall be followed, depending on the severity of the violation.

- I. Those who make the violation for the first time shall be given a verbal warning, those who repeat the violations shall be given written warnings; those who repeatedly violates laws and regulations or those with serious circumstances shall be transferred.
- II. The supervisors of these who violate the regulations shall also be penalized, except for such supervisors who can justify the failure of the prior prevention.
- III. If the board of directors, or directors execute their duties in violation of relevant regulations or resolutions of the shareholders' meeting, the independent directors shall notify the board of directors or the same directors to cease their actions in accordance with Article 218-2 of the Company Act.

#### Article 12: Others

All matters related to endorsement and guarantee of the Company shall be implemented in accordance with the provisions of these Operating Procedures. For any matter not covered in the Procedures, they shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.

#### Article 13: Implementation and amendment

The Procedures are implemented after being approved by the board of directors, submitted to the independent directors, and reported to the shareholders' meeting for approval.

If a director expresses a dissent and has a record or written statement, the Company shall send the dissent information to the independent directors and submit such to the shareholders' meeting for discussion, and the same shall apply when amending.

Where the Company has appointed independent directors, when it submits the Operational Procedures for Endorsements/Guarantees for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the board of directors meeting.

Article 14: These Operating Procedures are established on August 31, 2021.  
These rules were amended for the 1st time on June 23, 2025.

[Appendix 2]

## **Yuh Shan Environmental Engineering Co., Ltd Operating Procedures for Acquisition and Disposal of Assets (before amendment)**

Article 1 All assets acquired or disposed of by the Company shall be handled in accordance with the provisions of these Procedures. For any matters not covered in the Procedures, they shall be handled in accordance with relevant laws and regulations.

Article 2 Scope of application:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 3 Definition of terms

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign

OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 The Procedures and limits for the acquisition or disposal of assets by the Company are as follows:

- I. The acquisition or disposal of securities is subject to the approval of the chairman of the board of directors if it is a long-term equity investment in equity for business purposes. If the transaction amount reaches 20% of the Company's paid-in capital, it must be approved by the board of directors before implementation.
- II. The acquisition and disposal of the Company's real property, equipment, or right-of-use assets thereof shall be handled by the implementation unit in accordance with the relevant internal regulations of the Company. If it exceeds 20% of the Company's paid-in capital or NT\$300 million, it must be submitted to the board of directors for approval before implementation. However, the board of directors may authorize the chairman to handle the matter, and then submit it to the board of directors for ratification, and the capital expenditure budgets in the annual budget approved by the board of directors is exempted from the provision.
- III. The acquisition or disposal of intangible assets, right-of-use assets, or membership shall be handled in accordance with the provisions of the preceding subparagraph.
- IV. Implementation unit: Finance/accounting or other relevant units.
- V. Limits
  - (I) Where the Company purchases real property not for business purposes and the right-of-use assets thereof, the total amount shall not exceed 15% of the net worth. The total amount of real property purchased by each subsidiary of the Company for non-business use and the right-of-use assets thereof shall not exceed 5% of the net worth of the Company.
  - (II) The total amount of securities invested by the Company shall not exceed 10% of the net worth. The total securities investment by each subsidiary of the Company shall not exceed 10% of the net worth of the Company.
  - (III) The amount of the Company's investment in individual securities shall not exceed 10% of the net worth. The amount of investment in individual securities by each subsidiary of the Company shall not exceed 10% of the net worth of the Company.

The securities referred to in this paragraph do not include:

1. A subsidiary in which the Company holds 100% stake.
2. Government bonds Corporate bonds, financial bonds, domestic and foreign currency funds, negotiable certificates of deposit, short-term commercial promissory notes and bank acceptance drafts and other low-risk investments obtained for the treasury purpose.

Article 5 The assessment procedures for the acquisition or disposal of assets by the Company are as follows:

- I. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
  - (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
  - (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
  - (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
    1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
    2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
  - (IV) No more than 3 months may elapse between the date of the appraisal

report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- II. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.
- III. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
- IV. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- V. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
  - (I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
  - (II) May not be a related party or de facto related party of any party to the

transaction.

- (III) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- (I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (II) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (III) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with the three preceding subparagraphs herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

- Article 6 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or

right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
  - (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - (II) For a public company whose paid-in capital is NT\$10 billion, the transaction amount reaches NT\$1 billion or more.
- V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - (I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
  - (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

he amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

Article 7 When the Company acquires or disposes of assets, and public announcements are required to be made in accordance with Article 6 of these Procedures, the contents of the announcements shall be made in accordance with the provisions of relevant laws and regulations.

Article 8 When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 9 Regulations on the acquisition or disposal of assets by the Company's subsidiaries:

- I. All assets acquired or disposed of by the Company's subsidiaries shall be handled in accordance with Article 5 of these Procedures.
- II. If a subsidiary of the Company is not itself a public company in Taiwan, the

information required to be publicly announced and reported in accordance with Article 6 for its acquisition or disposal of assets shall be publicly announced and reported by the Company.

- III. The Company shall urge its subsidiaries to formulate and implement their operational procedures for the acquisition or disposal of assets, and submit such to its audit committee and/or board of directors and/or shareholders' meeting for resolution in accordance with relevant regulations before implementation. When a subsidiary of the Company acquires or disposes of assets, it shall provide relevant information to the Company for audit on a regular basis.
- IV. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing

Article 10 Procedures for handling transactions with related party

- I When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 5 and this article The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 6. In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. Assessment and operational procedures: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the Audit

Committee:

- (II) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 3.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

III. Assessing the reasonableness of transaction costs

- (I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
  - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the

loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the first two subparagraphs, Paragraph 2 of this article shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Subparagraphs (I) and (II), Paragraph 2 of this article, are uniformly lower than the transaction price, Subparagraph (V), Paragraph 3 of this article shall be complied with. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
  - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property

or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or the right-of-use assets thereof.

- (V) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Subparagraphs (I) to (IV), Paragraph 3 of this article, are uniformly lower than the transaction price, the follows shall be complied with. In addition, if the Company and a public company that uses the equity method to evaluate the Company's investments have provided the special reserve in accordance with the above provisions, the special reserve may not utilized until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the

appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. The Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the first two points of Subparagraph (V), Paragraph 3 of this article shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(VI) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the assessment and operational procedures in Paragraph 2 of this article shall apply, and the assessment requirements for the reasonableness of the transaction costs in Subparagraphs (I), (II), and (III) in Paragraph 3 of this article shall not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(VII) When a public company obtains real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraph (V), Paragraph 3 of this article if there is other evidence indicating that the acquisition was not an arms length transaction.

IV. If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 2 and the transaction amount will

reach 10 percent or more of the public company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

V. The calculation of the transaction amounts referred to in paragraph 2 made in accordance with Paragraph 2 of Article 6, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the Audit Committee need not be counted toward the transaction amount.

VI. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may authorize the chairman to decide such matters when the transaction is within NT\$50 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

(II) Acquisition or disposal of real estate right-of-use assets for business use.

Article 11 The Company engages in derivatives trading, mainly for non-trading purposes, and the main principle is risk avoidance; the relevant operations are handled in accordance with the Procedures.

Article 12 Procedures for mergers, splits, acquisitions, and assignment of shares:

I. Where the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit the results of deliberations by the Special Merger and Acquisition Committee to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized

capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries issued shares or authorized capital.

- II. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

- III. Where the Company participating in a merger, demerger, or acquisition of another company, it shall convene a board of directors meeting and shareholders meeting as the same day when the companies participating the same transaction hold the same meetings to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

- (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or

implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

- (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Items 1 and 2 of the preceding subparagraph to the competent authority for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two subparagraphs.

- IV. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- V. Where the Company participates in a merger, demerger, acquisition, or transfer of shares, the share exchange ratio or acquisition price may not be arbitrarily altered unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
  - (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based

securities.

- (II) An action, such as a disposal of major assets, that affects the company's financial operations.
  - (III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
  - (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  - (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - (VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- VI. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
- (I) Handling of breach of contract.
  - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - (IV) The manner of handling changes in the number of participating entities or companies.
  - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- VII. If any party of the company participating in the merger, split, acquisition, or share transfer intends to merge, split, acquire, or transfer shares with another company after the information is made public, the participating company may be exempted from convening a shareholders' meeting to re-resolve the resolution, except if the number of participants is reduced and the shareholders' meeting has resolved and authorized the board of directors to change the authority.

VIII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of subparagraphs (III), (IV) and the preceding subparagraph.

Article 13 The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 14 The relevant personnel of the Company shall comply with the provisions of these Procedures when handling matters related to the acquisition or disposal of assets, to protect the Company from losses caused by improper operations. If there is any violation of relevant laws and regulations or the provisions of these Procedures, the disciplinary action shall be taken in accordance with the relevant personnel regulations of the Company.

Article 15 For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 16 The Operating Procedures shall be approved by the board of directors and submitted to the independent directors, and approved by the shareholders' meeting, and the same shall apply when amended.

If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each independent director.

Article 17 Records of additions and amendments

If there is any matter not covered, such will be handled in accordance with relevant regulations.

These Procedures were established on August 31, 2021.

The 1st amendment was made on June 30, 2022.

The 2nd amendment was made on August 30, 2023.

The 3rd amendment was made on June 23, 2025.

[Appendix 3]

# **Yuh Shan Environmental Engineering Co., Ltd Sustainable Development Best Practice Principles (before amendment)**

## **Chapter One General Principles**

- Article 1: In order to fulfill corporate social responsibility and promote economic, environmental, and social progress to achieve the goal of sustainable development, the Company establish the Principles by referring to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies“ to manage the economic, environmental, and social risks and impacts.
- Article 2: The scope of application of the Principles is the overall operation activities of the Company and its group enterprises. The Company actively fulfills sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
- Article 3: In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4: To implement sustainable development initiatives, the Company is advised to follow the principles below:
- I. Exercise corporate governance.
  - II. Foster a sustainable environment.
  - III. Preserve public welfare.
  - IV. Enhance disclosure of sustainable development information.
- Article 5: The Company shall take into consideration the correlation between the

development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

## **Chapter Two Exercising Corporate Governance**

Article 6: The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Code of Ethical Conduct for the Company to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7: The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

- I. Propose a sustainable development mission or vision, and formulate sustainable development policies, systems, or related management guidelines.
- II. Incorporate sustainable development into the company's operating activities and development direction, and approve specific promotion plans for sustainable development.
- III. Ensure the timeliness and accuracy of disclosure of sustainable development-related information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of a TWSE/TPEX listed company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

- Article 8: The Company is advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.
- Article 9: For the purpose of managing sustainable development initiatives, the Company is advised to create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. The employee performance appraisal system should be integrated with sustainable development policies, and a clear and effective reward and punishment system should be established.
- Article 10: The Company shall respect the rights and interests of stakeholders, identify the Company's stakeholders, and set up a stakeholder section on the Company's website. Through appropriate communication methods, understand the reasonable expectations and needs of stakeholders, and appropriately respond to important sustainable development issues of concern.

### **Chapter Three Developing a sustainable environment**

- Article 11: The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.
- Article 12: The Company shall strive to improve energy efficiency and use recycled materials with low impact on the environment, so that the earth's resources can be used sustainably.
- Article 13: The Company shall establish an appropriate environmental management system based on the characteristics of the industry, which shall include the following items:
- I. Collect and evaluate sufficient and timely information on the impact of business activities on the natural environment.
  - II. Establish measurable environmental sustainability goals and regularly review the sustainability and relevance of their development.
  - III. Formulate specific plans or action plans, and regularly review the effectiveness

of their implementation.

Article 14: The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15: The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

- I. Reduce resource and energy consumption of their products and services.
- II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- III. Improve recyclability and reusability of raw materials or products.
- IV. Maximize the sustainability of renewable resources.
- V. Enhance the durability of products.
- VI. Improve efficiency of products and services.

Article 16: To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures. The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17: The Company are advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures. The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
- II. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.

The Company are advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy

conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

III. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

#### **Chapter Four Preserving Public Welfare**

Article 18: The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
- III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- IV. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

- Article 19: The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.
- Article 20: The Company are advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company are advised to organize training on safety and health for their employees on a regular basis.
- Article 21: The Company are advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22: The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions. The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 22-1: The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.
- Article 23: The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish

and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24: The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25: The Company are advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company are advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26: The Company are advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. The Company are advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company are advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27: The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company are advised to, through equity investment, commercial activities, endowments, volunteering

service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1: The Company are advised to dedicate resources to cultural and art activities or the cultural and creative industry constantly through endowments, sponsorships, investments, procurements, strategic cooperation, volunteering technical services of enterprises, or other forms of support, to promote cultural development.

### **Chapter Five Enhancing Disclosure of Sustainable Development Information**

Article 28: The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development which the Company shall disclose includes:

- I. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
- II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures for promoting the sustainable development initiatives established by the companies, and performance in implementation.
- IV. Major stakeholders and their concerns.
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other information relating to sustainable development initiatives.

Article 29: The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- I. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.

- II. Major stakeholders and their concerns.
- III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- IV. Future improvements and goals.

#### **Chapter VI Additional Provisions**

Article 30: The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31: The Principles shall be implemented after being approved by the board of directors, and shall be sent to all independent directors and reported at the shareholders' meeting. The same applies when amended.

Article 32: The Principles were established on October 27, 2023.  
The 1st amendment was made on June 23, 2025.

[Appendix 4]

# **Yuh Shan Environmental Engineering Co., Ltd**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

Article 1 The Company is organized in accordance with the provisions of the Company Act and is named Yuh Shan Environmental Engineering Co., Ltd. in English.

Article 2 The Company's business scope include the follows:

1. E103101 Environmental Protection Engineering Specialized Construction Enterprise
2. E599010 Piping Engineering
3. E601010 Electric Appliance Construction
4. E601020 Electric Appliance Installation
5. E603040 Fire Safety Equipment Installation Engineering
6. E603050 Automatic Control Equipment Engineering
7. EZ99990 Other Engineering
8. F106010 Wholesale of Hardware
9. F206010 Retail Sale of Hardware
10. I101061 Professional Engineering Consulting
11. J101030 Waste Disposing
12. J101040 Waste Treatment
13. J101050 Environmental Testing Services
14. J101060 Wastewater (Sewage) Treatment
15. J101070 Radioactive Waste Treatment Service
16. J101990 Other Environmental Sanitation and Pollution Prevention Service
17. EZ01011 Groundwater Drilling Well

18. A102020 Agricultural Products Preparations
19. F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products
20. F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products
21. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company has its head office in Kaohsiung City, and may establish branches at home and abroad by resolution of the board of directors when necessary.

Article 4 The methods of the Company's public announcement shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 5 The Company may reinvest outwardly as the business required; if it is a limited liability shareholder of another company, the total reinvestment amount is not subject to the restriction of 40% of the paid-in capital stipulated in Article 13 of the Company Act, and the Board of Directors is authorized to determine as necessary.

Article 6 The Company may, within the scope of laws and regulations, provides endorsement and guarantee externally and loaning of funds to others for business needs, in accordance with the Company's "Operating Procedures for Endorsement/Guarantee" and "Operating Procedures for Loaning of Funds to Others."

## **Chapter 2 Shares**

Article 7 The total capital of the Company is set at NT\$600,000,000, divided into 60,000,000 shares with a par value of NT\$10 per share, and the

board of directors may be authorized to issue in tranches.

NT\$20,000,000 is reserved within the total capital of the preceding paragraph for the issuance of employees' warrants, totaling 2,000,000 shares, with a par value of NT\$10 per share; the board of directors may be authorized to issue them in tranches.

When the Company issues new shares, the employees who subscribe shares may include the employees of the controlling or subordinate companies that meet certain conditions, and the conditions and methods of the subscription are authorized to the board of directors to determine.

The employee entitled to receive the Company's employees' warrants may include the employees of the controlling or subordinate companies that meet certain conditions, and the conditions and methods of the subscription are authorized to the board of directors to determine.

When the Company issues new restricted employee shares, such issuance shall be upon the special resolution of the shareholders' meeting, and the employees entitled to receive such shares may include the employees of the controlling or subordinate companies that meet certain conditions, and the conditions and methods of the subscription are authorized to the board of directors to determine.

The treasury shares repurchased by the Company in accordance with the law may be transferred to employees of the controlling or subordinate companies that meet certain conditions, and the Board of Directors is authorized to determine the conditions and methods of transfer.

Article 8 All the Company's shares are registered shares, and signed or sealed by the directors representing the Company, and are issued after being attested by a bank that may act as the share issuance attester in

accordance with the law. The Company may issue shares without printing share certificates, but it shall be registered with the central securities depository institution.

Article 9 Changes to the shareholder roster shall be handled in accordance with Article 165 of the Company Act. Unless otherwise provided by laws and regulations, the Company's shareholder services shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

### **Chapter 3 Shareholders' Meetings**

Article 10 The shareholders' meetings include into two types: general meetings and special meetings. The general meetings shall be convened at least once a year, and shall be convened by the board of directors within 6 months after the end of each fiscal year in accordance with Article 172 of the Company Act. The special meetings may be convened pursuant to laws when needed. If agreed by the recipients, the convention of shareholders' meeting may be done via electronic means.

Article 10-1 The shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11 Unless otherwise provided by the Company Act, the shareholders' meetings shall be convened by the board of directors and chaired by the chairman. In case the chairman is on leave or absent or can not exercise his power and authority for any cause, Article 208 of the Company Act shall be complied with; if a shareholders' meeting is

convened by another person entitled to convene, such person shall chair the meeting, if there are more than one persons entitled to do so, one of them is elected to chair the meeting.

Article 12 If a shareholder is unable to attend the shareholders' meeting for any reason, he or she may sign or seal a proxy form printed by the Company, to assign a proxy attend the shareholders' meeting. The use of proxy forms related to the Company's shares shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Once the Company's shares are within the applicable scope for the electronic voting required by the competent authority of the securities, when holding a shareholders' meeting, electronic means shall be listed as one of the methods for shareholders exercising their voting rights; shareholders exercising their voting rights electronically shall be deemed to have attended in person, and all related matters shall be handled in accordance with laws and regulations.

Article 13 Unless otherwise required or restricted by laws, each shareholder of the Company has one voting right per share.

Article 14 Unless otherwise provided by the Company Act, resolutions of shareholders' meetings shall be made with the consent of more than one half of the voting rights of the attending shareholders in the meeting attended by more than half of the shareholders representing more than one half of the voting rights.

Article 14-1 After the public offering of the Company's shares, if the public offering is to be revoked, in addition to the approval of the board of directors, the passage of the shareholders' meeting's special resolution is required before proceeding to the matters related to the

revocation of the public offering; these provisions shall not be changed during the period of listing in the emerging market or TPEX.

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 production and distribution of the minutes referred to in the preceding paragraph may be done electronically in accordance with Article 183 of the Company Act. The distribution of the Company's minutes may be made by the means of public announcement.

#### **Chapter 4 Directors**

Article 16 The Company establishes five to nine directors, with the term of office for three years. The candidate nomination system is adopted for the shareholders' meeting to elect directors from the list of candidates; directors may be re-elected and re-appointed. Among the seats of directors above, the seats of independent directors shall not be less than three, and no less than one-fifth of the directors' seats; they shall be elected by the shareholders' meeting from the list of independent director candidates. Regarding the professional qualifications, shareholding, concurrent appointment restrictions, independence determination, nomination and election methods, and other matters to be complied with, the relevant regulations of the securities competent authority shall be complied with.

The Company may purchase a liability insurance for directors against the damage obligations they are held liable within their performance of duties. The key contents of the insurance including insurance amount, coverage, and insurance premiums are to be reported to the

soonest board meeting.

The Company establishes the audit committee in accordance with the relevant provisions of the Securities and Exchange Act, composed of all independent directors, with no less than three members, at least one of whom has accounting or financial expertise. The Audit Committee and its members are responsible for executing the functions and powers stipulated by relevant laws and regulations, and the exercise of the Audit Committee and related matters shall be separately stipulated in accordance with relevant laws and regulations.

Article 17 The board of directors is organized by the directors, and one chairman is elected upon the consents of the majority of the attending directors in a board meeting attended by two-third or more of the directors; the chairman represents the Company externally, and executes all the Company's affairs pursuant to laws and regulations, the articles of incorporation, and resolutions of the shareholders' meetings and board meetings.

Article 18 When the number of vacancies in the board of directors equals to one third of the total number of directors , and when all directors are discharged, the board of directors shall call, within 30 days, a shareholders' meeting to elect directors to fill the vacancies. However, the term of office of the by-elected directors shall be limited to the expiry of the original term of office.

Article 19 Unless otherwise provided by the Company Act, the board of directors shall be convened by the chairman and each director shall be notified seven days in advance with the reasons specified. However, in case of emergency, a meeting may be convened at any time.  
The notice of the meeting referred to in the preceding paragraph may be given in writing, fax, or e-mail.

Article 20 Unless otherwise provided by the Company Act, a board meeting of shall be attended by the majority of the directors, and the consent of the majority of the attending directors shall be obtained. Where any director is on leave or unable to attend a board meeting, he/she may present a proxy form specifying the authorization scope for the convening causes, and sign/seal the form to assign another director as his/her proxy; however, one director may only serve as a proxy of one director. If the board of directors meets via a video conference, the directors participating in the meeting via a video conference shall be deemed to have attended in person.

If the chairman takes a leave or is unable to exercise his or her powers for any reason, his/her deputy shall be handled in accordance with Article 208 of the Company Act.

Article 21 When the directors of the Company perform the duties of the Company, regardless of the Company's operating profits and losses, the Company may pay remuneration, and the board of directors is authorized to determine their remunerations based on the degree of participation in the Company's operations and their contribution values, while referring to the usual level of the industry. The remunerations of independent directors are authorized to the board of directors to determine with reference to the standards of the industry.

### **Chapter 5 Managerial Officers**

Article 22 The Company may appoint managerial officers, and their appointment, dismissal, and remunerations shall be handled in accordance with Article 29 of the Company Act.

### **Chapter 6 Accounting**

Article 23 The Company may distribute earnings or compensate deficits after

an end of a quarter; if the earnings are distributed in cash, it shall be resolved by the board of directors in accordance with Article 228-1 and Article 240, paragraph 5 of the Company Act and reported to the shareholders' meeting.

Article 24 (Deleted)

Article 25 At the end of each fiscal year, the board of directors shall prepare the following statements and books, and submit such to the general shareholders' meeting in accordance with legal procedures for approval.

1. Business report
2. Financial statements
3. Proposal for earnings distribution or deficit compensation

Article 26 If the Company makes a profit during a year, it shall provides not more than 3% as the remunerations to the directors and supervisors, and not less than 3% as the remunerations to the employees (not less than 1% of the amount of employee remuneration in this paragraph shall be distributed as the remunerations to the non-executive employees). However, if the Company still has accumulated losses, it shall reserve the amount to compensate the losses in advance. The determination of the percentage for the remunerations distributed to the employees, directors and supervisors, and if the remuneration of employees shall be paid in shares or cash, shall be resolved by the majority of the attending directors in a board meeting attended by two-third or more of the directors, and reported to the shareholders' meeting. The recipients of the employees' remuneration paid in cash or share, may include the employees of controlling or subordinate companies that meet certain conditions, and the board of directors is authorized to determine the conditions.

If there is a surplus in the Company's annual final accounts, it shall

first pay taxes and compensate the accumulated losses, and then set aside 10% as the legal reserve; however, when the legal reserve has reached the total paid-in capital of the Company, this requirement is exempted. If there is still surplus, plus the undistributed earnings at the beginning of the same period, it is the distributable earnings of the current year, and the board of directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution to distribute shareholders' dividends.

Article 26-1 If all or part of dividends and bonuses, or legal reserves and capital surplus are distributed in cash, the board of directors is authorized to do so with the consents of the majority of the attending directors in a board meeting attended by two-third or more of the directors, and reported to the shareholders' meeting.

Article 26-2 The Company's dividend policy may be determined based on the Company's profitability, considerations regarding the Company's future capital needs, long-term operation and development, and protection of shareholders' equity. For the method of distributing dividends, pursuant to the Articles of Incorporation, the board of directors formulates the earnings distribution, and depending on the share capital of the Company then, financial structure, operating status, and considerations of earnings, the shareholders' dividends will be distributed with no less than 10% of the distributable earnings of the year, upon the resolution of the shareholders' meeting. Of which, the cash dividends shall not be less than 10% of the total dividends distributed, but where the company is in need of capital expenditure, all of the aforesaid earnings may be distributed in the form of share dividends.

## **Chapter 7 Supplementary Provisions**

Article 27 Matters not covered in this Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 28 The Articles of Incorporation wer established on October 7, 1993

The 1st amendment was made on November 21, 1993

The 2nd amendment was made on April 08, 1995

The 3rd amendment was made on March 25, 1997

The 4th amendment was made on July 20, 1999

The 5th amendment was made on January 04, 2000

The 6th amendment was made on February 20, 2001

The 7th amendment was made on August 15, 2002

The 8th amendment was made on April 11, 2003

The 9th amendment was made on February 13, 2004

The 10th amendment was made on May 06, 2005

The 11th amendment was made on November 09, 2005

The 12th amendment was made on April 18, 2006

The 13th amendment was made on December 01, 2014

The 14th amendment was made on January 09, 2015

The 15th amendment was made on April 15, 2015

The 16th amendment was made on May 25, 2015

The 17th amendment was made on April 7, 2016

The 18th amendment was made on January 13, 2017

The 19th amendment was made on March 02, 2018

The 20th amendment was made on November 10, 2018

The 21st amendment was made on December 20, 2019

The 22nd amendment was made on February 05, 2020

The 23rd amendment was made on June 29, 2020

The 24th amendment was made on August 31, 2021

The 25th amendment was made on June 30, 2021

The 26th amendment was made on December 08, 2023

The 27th amendment was made on June 23, 2025

Yuh Shan Environmental Engineering Co., Ltd

Chairman: Liu, Yuan-Hung

[Appendix 5]

## **Yuh Shan Environmental Engineering Co., Ltd Rules of Procedure for Shareholders' Meetings**

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to related regulations.

Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

Up the public offering, the Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$2 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC

shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, 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. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting

agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice

is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Upon the public offering of the Company, after the independent directors are elected, full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. the Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the

meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other 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.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the following particulars in the shareholders meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. The handling of obstacles caused by natural disasters, incidents, or other force majeure events on the video conferencing platform or participation in video conferencing shall include at least the following matters:
  - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. 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, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances

set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 7 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one director to act in place of the chairperson; where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

the Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without

interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

- Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- The chair shall call the meeting to order at the appointed meeting time and disclose related information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.
- However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
- If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.
- When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

- Article 10 If a shareholders meeting is convened by the board of directors, the meeting agenda

shall be set by the board of directors. 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 a party with the power to convene that is not the board of directors.

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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting at a shareholders meeting shall be calculated based 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 may adopt exercise of voting rights by electronic means and by correspondence (the companies required to adopt the proviso of Paragraph 1, Article 177-1 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 before 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 online, 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, for each proposal, 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. Upon the public offering, the Company will, 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 MOPS.

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.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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 or supervisors 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 supervisors and the numbers of votes with which they were elected.

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 recording 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 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 or supervisors. 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 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.

Upon the public offering, 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 shareholders 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, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- 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, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
- In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of

the Regulations Governing the Administration of Shareholder Services of Public Companies, 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 second 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 second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second 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 second 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 second 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 Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second 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. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 23 Matters not covered by these Rules of Procedure shall be handled in accordance with the Company Act, the Articles of Incorporation of the Company, and other relevant laws and regulations.

Article 24 These Rules of Procedure shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

These Rules were established on June 29, 2020.

These rules were amended for the 1st time on August 31, 2021.

These rules were amended for the 2nd time on June 30, 2022.

These rules were amended for the 3rd time on June 6, 2023.

These rules were amended for the 4th time on June 27, 2024.

[Appendix 6]

## **Yuh Shan Environmental Engineering Co., Ltd Regulations Governing the Election of Directors and Supervisors**

Article 1 To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The elections of the Company's directors and supervisors, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal

relationship nor a relationship within the second degree of kinship with any other director.

Article 4 The Company's supervisors shall meet the following conditions:

- I. Ethical and practical.
- II. Fair judgment.
- III. Expertise.
- IV. Rich experience.
- V. Ability to read financial statements.

Between supervisors or among supervisors and directors, at least one seat shall not be a spouse or a relative within the second degree of kinship to another supervisor or director.

Supervisors may not concurrently serve as directors, managerial officers, or other employees of the Company, and at least one of the supervisors must have a domicile in Taiwan to perform the supervisory function immediately.

Article 5 Elections of directors and supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The cumulative voting method shall be used for election. Each share will have voting rights in number equal to the directors and directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 6 Persons entitled to convene meetings shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7 The number of directors and supervisors will be as specified in the Company's Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8 Before the election begins, the chair shall appoint a number of persons with

shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the persons entitled to convene meetings, and publicly checked by the vote monitoring personnel before voting commences.

Article 9 If a candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number in the "Candidate" column of the election ballot. If the candidate is not a shareholder, the name of the elector and the number of the identity document shall be provided. However, if the candidate is government agency or corporate shareholder, the name of the government agency or corporate shall be filled in the account name column of the election ballot, and the name of the government agency or corporate and its representative may also be entered. If there are several representatives, the names of the representatives shall be added separately.

Article 10 A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. If the candidate entered is a shareholder, the account name and shareholder account number do not match the shareholder register; if the candidate is not a shareholder, the name and identification document number have been verified to be inconsistent.
- V. Text entered other than the account name (name) , the shareholder account number or the number of identification documents of the candidate, and the voting rights allocated
- VI. The name of the candidate is the same as that of other shareholders, but the shareholder account number or identification document number is not filled in to identify them.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 recording shall be retained until the conclusion of the litigation.

Article 12 The board of directors of the Company shall issue notifications to the persons elected as directors and supervisors.

Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

These Procedures were established on August 31, 2021.

[Appendix 7]

Yuh Shan Environmental Engineering Co., Ltd

Shareholding status of all directors

Base date: March 27, 2026

Job Title	Name	Number of shares held	Shareholding ratio
Chairman	Liu, Yuan-Hung	997,500	2.96%
Director	Ching Yun Investment Co., Ltd Representative: Chang, Yu-Chi	2,708,000	8.02%
Director	Yeh, Chih-Hsiung	7,000	0.02%
Director	Chuang, Shun	64,000	0.19%
Director	GSD Enviro Tech (Taiwan) Co., Ltd. Representative: Wu, Wu-Hsiung	6,563,000	19.45%
Independent Director	Kong, Hui-Ping	0	0.00%
Independent Director	Huang, Po-Hsin	0	0.00%
Independent Director	Wu, Dai-Chang	0	0.00%
Total		10,339,500	31.07%

Notes:

1. Total issued common shares of the Company: 33,747,000 shares.
2. Shares required to be held by the directors by law: 3,600,000 shares.  
The Company has established the Audit Committee, so there is no application of the statutory number of shares held by supervisors.
3. Holding as of March 27, 2026: 10,339,500 shares (the shareholdings of independent directors are not included in the number of shares held by directors).