Stock Code: 7715

裕山環境工程股份有限公司
YUH SHAN Environmental Engineering Co.,Ltd.

2025

Annual Report

Website for inquiring the annual report: Market Observation Post System

(http://mops.twse.com.tw)

Company website:http://www.ysee c.com

Printed on March 31, 2026

I. Names, title, telephone number, and e-mail address of the spokesman or acting spokesman:

(I) Spokesperson
Name: Guan, Chang-Sheng
Title: Chief Operating Officer
Contact number: (07)398-5500
Email address:eric@yseec.com

(II) Acting Spokesperson
Name: Wu, Chun-Yen
Title: Deputy General Manager
Contact number: (07)398-5500
Email address:chunyen@yseec.com

II. Addresses and telephone number of the company's headquarters, branch offices, and factories:

(I) Headquarters
Address: 30F-2, No. 80, Minzu 1st Road, Sanmin District, Kaohsiung City
Telephone: (07) 398-5500

(II) Branches
Address: 1st & 2nd Floor, No. 17, Yuanxi 2nd Road, Dehe Village, Changzhi Township, Pingtung County

III. The name, address, e-mail address, and telephone number of the agency handling shares transfer:

Name: Shareholder Service Agency Department, CTBC
Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City
Website: https://www.ctbcbank.com
Telephone: (02) 6636-5566

IV. The names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong:

Name of the accounting firm: EY Taiwan
Attesting CPAs: Calvin Chen and Dick Hung
Address: 17F, No. 2, Zhongzheng 3rd Rd., Xinxing District, Kaohsiung City
Website: http://www.ey.com.tw
Telephone: (07)238-0011

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: http://www.yseec.com

Yushan Environmental Engineering Co., Ltd

2025 Annual Report

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A. Report to Shareholders

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 wasNT$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, Yushan 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.

Yushan 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 Yushan'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

B. Corporate Governance Report

I. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

(I) Directors and Supervisors

1. Information on directors and supervisors

March 27, 2026; Unit: Shares; %

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Chairman	Republic of China	Liu, Yuan-Hong	Male 51-60 years old	2023.12.08	3 years	2002.09.23	940,000	3.24%	997,500	2.96%	400,000	1.19%	-	-	Master, Institute of Environmental Engineering, National Pingtung University of Science and Technology Yushan Environmental Engineering Co., Ltd. Company/Manager, General Manager, Environmental Engineering Technician	Yushan Environmental Engineering Co., Ltd. Company/ Chairman Chen Yu Investment Co., Ltd/ Person in Charge	-	-	-	

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Director	Republic of China	Chang, Yu-Chi Representative: Ching Yun Investment Co., Ltd	Male 51-60 years old	2023.12.08	3 years	2007.04.24	864,800 2,830,000	2.98% 9.76%	914,300 2,708,000	2.71% 8.02%	1,026,069 -	3.04% -	- -	- -	Master, Institute of Environmental Engineering, National Pingtung University of Science and Technology Yushan Environmental Engineering Co., Ltd. / Engineer, Deputy Manager, Deputy General Manager, General Manager	Yushan Environmental Engineering Co., Ltd. Company/ General Manager Ching Yun Investment Co., Ltd/Person in Charge Kunshan Yuchuan Environmental Protection Engineering Co., Ltd./ Legal Representative	-	-	-	-

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Director	Republic of China	Wu, Wu-Hsiung Representative: GSD Enviro Tech (Taiwan) Co., Ltd.	Male 61-70 years old	2023.12.08	3 years	2022.06.30	- 6,741,176	- 23.25%	- 6,563,000	- 19.45%	- -	- -	- -	- -	Master of Accounting, Soochow University Bachelor, Department of Business Administration, Fu Jen Catholic University Chief Financial Officer/Deputy General Manager of Business Division, Speed Tech Corp. Chief Financial Officer, T3EX Global Holdings Corp.	NA	-	-	-	

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Director	Republic of China	Chuang, Shun	Male 51-60 years old	2023.12.08	3 years	2021.11.10	4,000	0.01%	64,000	0.19%	-	-	-	-	Master, Institute of Environmental Engineering, National Pingtung University of Science and Technology Bachelor, Department of Environmental Engineering, National Pingtung University of Science and Technology HAC Global Co. Ltd. / Deputy Manager Environmental engineering technician	Project Associate Manager, Project Business Division, Yushan Environmental Engineering Co., Ltd	-	-	-	-

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Director	Republic of China	Yeh, Chih-Hsiung	Male 41-50 years old	2023.12.08	3 years	2023.12.08	-	-	7,000	0.02%	-	-	-	-	Graduate Institute of Environmental Engineering and Management, National Taipei University of Technology Stantec Consulting Services Inc., Taiwan Branch / Associate Manager Assistant Deputy General Manager, Sustainability Development Team, Headquarters of Pou Chen Group Environmental engineering technician	Deputy General Manager, Engineering Technology Department, Yushan Environmental Engineering Co., Ltd.	-	-	-	

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Independent Directors	Republic of China	Huang, Po-Hsin	Male 51-60 years old	2023.12.08	3 years	2023.12.08	-	-	-	-	-	-	-	-	Ph.D., Institute of Resources Engineering, National Cheng Kung University Chair, Chenghong CPA Firm Assistant Professor, Meiho University CPA	Chair, Chenghong CPA Firm	-	-	-	

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Independent Directors	Republic of China	Kong, Hui-Ping	Female 61-70 years old	2023.12.08	3 years	2023.12.08.	-	-	-	-	-	-	-	-	Master of Business Administration, Hawaii Pacific University Supervisor, FormuRx Pharmaceuticals Co., Ltd Associate Manager, Underwriting Department, MasterLink Securities Corp.	Supervisor, FormuRx Pharmaceuticals Co., Ltd Supervisor, Pulxion Medical Technology Co., Ltd. Independent Directors, Mitake Information Corporation	-	-	-	

Job title	Nationality or place of registration	Name	Gender and Age	Date of election / appointment to current term	Term of office	Commencement date of first term	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
Independent Directors	Republic of China	Wu, Dai-Chang	Male 51-60 years old	2023.12.08	3 years	2023.12.08	-	-	-	-	-	-	-	-	Master Program, Department of Labor and Human Resources, Culture University Deputy General Manager, ePhoenix International Industrial Co., Ltd Manager of the Human Resources Department, Secretary of the Board of Directors, Chung Hwa Chemical Industrial Works, Ltd.	ePhoenix International Industrial Co., Ltd/ Person in Charge	-	-	-	

2. Major Shareholders of Corporate Shareholders

March 27, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
Ching Yun Investment Co., Ltd	Chang, Yu-Chi	6%
	Chang, Yung-Ching	47%
	Chang, Han-Yun	47%
GSD Enviro Tech (Taiwan) Co., Ltd.	GSD Technologies Co., Ltd. (foreign corporate)	100%

March 30, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
GSD Technologies Co., Ltd. (foreign corporate)(100%)	H.J. Hsieh International Co., Ltd.	15.47%
	Li Yi Co., LTD	9.35%
	Advantech Investment Co., Ltd.	7.04%
	CDIB Venture Capital Corporation	4.63%
	LTS International Ltd.	3.09%
	He, Ri-Guang	3.90%
	Lin, Mei-Lan	3.18%
	Chen, Shi-Hsien	3.15%
	Chen, Li-Jiao	2.96%
	Hsieh, Hong-Jong	2.53%

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Liu, Yuan-Hong	Possessing the work experience required for the company's business. Civil engineer/ Environmental engineer	There is no spousal or second-degree kinship among the directors.	None
Chang, Yu-Chi Representative: Ching Yun Investment Co., Ltd	General Manager of the Company, possessing the work experience required for the company's operations.	There is no spousal or second-degree kinship among the directors.	None
Wu, Wu-Hsiung Representative: GSD Enviro Tech (Taiwan) Co., Ltd.	GSD Technologies Co., Ltd./CFO and Assistant to the Chairman, possessing the work experience required for the company's operations.	There is no spousal or second-degree kinship among the directors.	None
Yeh, Chih-Hsiung	Deputy General Manager of the Company, possessing the work experience required for the company's operations. Environmental engineering technician	There is no spousal or second-degree kinship among the directors.	None
Chuang, Shun	Associate Manager of the Company, possessing the work experience required for the company's operations. Environmental engineering technician	There is no spousal or second-degree kinship among the directors.	None
Huang, Po-Hsin	Chair, Chenghong CPA Firm/ CPA, possessing the work experience required for the company's operations.	There is no spousal or second-degree kinship among the directors.	None
Kong, Hui-Ping	FormuRx Pharmaceuticals Co., Ltd/ Supervisor, Underwriting Department, MasterLink Securities	There is no spousal or second-degree	1

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	Corp./Associate Manager, possessing the work experience required for the company's business.	kinship among the directors.	
Wu, Dai-Chang	ePhoenix International Industrial Co., Ltd/ Deputy General Manager; Chung Hwa Chemical Industrial Works, Ltd./ Manager of the Human Resources Department, Secretary of the Board of Directors, possessing the work experience required for the company's operations.	There is no spousal or second-degree kinship among the directors.	None

4. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors

To strengthen corporate governance and promote the sound development of the board composition structure, the Company has established a diversity policy for the board member in Chapter 3, Strengthening the Functions of the Board, of the "Corporate Governance Best-Practice Principles."

The nomination and election of the Company’s board members are conducted, adopt the candidate nomination system complying with the provisions of the Company’s Articles of Incorporation, as well as the “Regulations Governing the Election of Directors and Supervisors” and the “Corporate Governance Best-Practice Principles” to ensure the diversity and independence of the Board of Directors. The Company currently has only one female director, failing to meet the requirement of one-third of the seats held by either gender. It is planned to fill this gap when the current term expires and a new election is held (December 2026).

The Company elects its board members based on its operations, business model, and development needs. The Company has established eight board members (including three independent directors) suitable to the scale of its business development and the shareholding of its major shareholders. The board members possess backgrounds in operational judgment, industry expertise, operation and management, leadership, and decision-making. Each member provides business guidelines in their respective professional fields, which greatly contributes to improving the Company's operating performance and management efficiency. The diversity policy and its implementation status of the current board of directors are as follows:

Job title	Name	Basic components						Industry experience				Professional capabilities				
		Nationality	Gender	Concurrently employed by the Company	Age			Environmental Engineering	Mechanical manufacturing	Finance	Marketing and business administration	Operational judgment	Operation and management	Leadership	Decision-making	Risk management
					41~50	51~60	61~70									
Chairman	Liu, Yuan-Hong	Republic of China	Male													
Director	Chang, Yu-Chi	Republic of China	Male													
Director	Wu, Wu-Hsiung	Republic of China	Male													
Director	Yeh, Chih-Hsiung	Republic of China	Male													
Director	Chuang, Shun	Republic of China	Male													
Independent Directors	Huang, Po-Hsin	Republic of China	Male													
Independent Directors	Kong, Hui-Ping	Republic of China	Female													
Independent Directors	Wu, Dai-Chang	Republic of China	Male													

(2) Independence of the Board of Directors:

The Company's Board of Directors has eight directors (including three independent directors), and none of the directors or independent directors have violated the provisions of Article 26-3, Paragraph 3, Subparagraph 4 of the Securities and Exchange Act.

(II) Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

March 27, 2026; Unit: Shares; %

Job title	Nationality	Name	Gender	Date of election / appointment to current term	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in any other company	Managerial officers with spouses or relatives within two degrees of kinship			Remark
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
General Manager	Republic of China	Chang, Yu-Chi	Male	2018.03.01	914,300	2.71%	1,026,069	3.04%	-	-	Master, Institute of Environmental Engineering, National Pingtung University of Science and Technology Yushan Environmental Engineering Co., Ltd. / Engineer, Deputy Manager, Deputy General Manager, General Manager	Ching Yun Investment Co., Ltd/Person in Charge Kunshan Yuchuan Environmental Protection Engineering Co., Ltd./ Legal Representative	-	-	-	
Project Business Division Chief Operating Officer	Republic of China	Guan, Chang-Sheng	Male	2023.09.01	4,000	0.01%	-	-	-	-	Tunghai University / Department of Chemical Engineering AECOM Taiwan / President of Greater China Area China Shell Lubricants Company / General Manager	General Manager, Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	-	-	-	
Engineering Technology Department Deputy General Manager	Republic of China	Yeh, Chih-Hsiung	Male	2023.12.01	7,000	0.02%	-	-	-	-	Graduate Institute of Environmental Engineering and Management, National Taipei University of Technology Associate Manager, Stantec Consulting Services Inc., Taiwan Branch	-	-	-	-	

Job title	Nationality	Name	Gender	Date of election / appointment to current term	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in any other company	Managerial officers with spouses or relatives within two degrees of kinship			Remark
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
											Assistant Deputy General Manager, Sustainability Development Team, Headquarters of Pou Chen Group Environmental engineering technician					
Management Department Deputy General Manager concurrently serving as Accounting Officer concurrently serving as Corporate Governance Officer	Republic of China	Wu, Chun-Yen	Male	2022.10.03	51,000	0.15%	-	-	-	-	Feng Chia University / Department of Accounting Shin Foong Specialty & Applied Materials Co., Ltd. / Associate Manager of Management Department Shin Foong Specialty & Applied Materials Co., Ltd. / Plant Chief of Fengshan Plant	-	-	-	-	
R&D Center Associate Manager	Republic of China	Tsai, Wen-Hsien	Male	2019.09.01	-	-	-	-	-	-	Department of Chemical and Materials Engineering, Southern Taiwan University of Science and Technology	-	-	-	-	

Job title	Nationality	Name	Gender	Date of election / appointment to current term	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Current position(s) held concurrently in any other company	Managerial officers with spouses or relatives within two degrees of kinship			Remark
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relation	
											Ocean Best International Co., Ltd. / Chief Technical Consultant Engineer Guan Cheng Environmental Technology Engineering Co., Ltd./ Technical Associate Manager					
Management Department Financial Manager	Republic of China	Teng, Ya-Ning	Female	2017.11.13	92,882	0.28%	60,000	0.18%	-	-	Department of Business Administration, National Taiwan University Master, Institute of Finance, National Cheng Kung University Ivan Technology Inc. / Associate Manager of Finance and Management Department	Supervisor, Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	-	-	-	
Audit Office Deputy Director	Republic of China	Wang, Shu-Mei	Female	2023.03.08	-	-	-	-	-	-	Department of Accounting, Kaohsiung University of Applied Sciences Jia Jie Biomedical Co. Ltd./ Manager of Audit Office,	-	-	-	-	

II. Remunerations paid to directors, general manager and deputy general managers, etc.

(I) Remuneration paid to ordinary directors and independent directors in the most recent fiscal year (2025).

Unit: NT$thousand; %

Job title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from reinvestments other than subsidiaries or the parent company
		Compensation (A)		Retirement pay and pension (B)		Directors' remuneration (C)		Business execution expense (D)				Salary, bonuses, and special allowances, etc. (E)		Retirement pay and pension (F)		Employees' remuneration (G)						
																The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Chairman	Liu, Yuan-Hong	4,370	4,370	86	86	3,500	3,500	174	174	8,130 7.98%	8,130 7.98%	11,120	11,120	281	281	292	-	292	-	19,823 19.46%	19,823 19.46%	-
Director	Chang, Yu-Chi Corporate represented: Ching Yun Investment Co., Ltd																					
	Wu, Wu-Hsiung Corporate represented: GSD Enviro Tech (Taiwan) Co., Ltd.																					
	Yeh, Chih-Hsiung																					
	Chuang, Shun																					
Independent Directors	Huang, Po-Hsin	1,440	1,440	-	-	-	-	225	225	1,665 1.63%	1,665 1.63%	-	-	-	-	-	-	-	-	1,665 1.63%	1,665 1.63%	-
	Kong, Hui-Ping																					
	Wu, Dai-Chang																					

1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid. please refer to P.33.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities (H)	The Company	All consolidated entities (I)
Less than NT$1,000,000	Chuang, Shun; Yeh, Chih-Hsiung GSD Enviro Tech (Taiwan) Co., Ltd. -Wu, Wu-Hsiung; Huang, Po-Hsin; Kong, Hui-Ping; Wu, Dai-Chang	Chuang, Shun; Yeh, Chih-Hsiung; GSD Enviro Tech (Taiwan) Co., Ltd. -Wu, Wu-Hsiung; Huang, Po-Hsin; Kong, Hui-Ping; Wu, Dai-Chang	GSD Enviro Tech (Taiwan) Co., Ltd. -Wu, Wu-Hsiung; Huang, Po-Hsin; Kong, Hui-Ping; Wu, Dai-Chang	GSD Enviro Tech (Taiwan) Co., Ltd. -Wu, Wu-Hsiung; Huang, Po-Hsin; Kong, Hui-Ping; Wu, Dai-Chang
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	Ching Yun Investment Co., Ltd - Chang, Yu-Chi	Ching Yun Investment Co., Ltd - Chang, Yu-Chi	-	-
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	-	-	Chuang, Shun	Chuang, Shun
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	-	-	Yeh, Chih-Hsiung	Yeh, Chih-Hsiung
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	Liu, Yuan-Hong	Liu, Yuan-Hong	Liu, Yuan-Hong, Ching Yun Investment Co., Ltd - Chang, Yu-Chi	Liu, Yuan-Hong, Ching Yun Investment Co., Ltd - Chang, Yu-Chi
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)	-	-	-	-
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)	-	-	-	-
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)	-	-	-	-
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)	-	-	-	-
NT$100,000,000 or above	-	-	-	-
Total	A total of 8 people	A total of 8 people	A total of 8 people	A total of 8 people

(II) Remuneration to General Manager(s) and Assistant General Manager(s) in 2025

Unit: NT$thousand; %

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income		Remuneration received from reinvestments other than subsidiaries or the parent company
								The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
General Manager	Chang, Yu-Chi	11,510	11,510	389	389	6,401	6,401	483	-	483	-	18,783 18.44%	18,783 18.44%	-
Management Department Deputy General Manager	Wu, Chun-Yen													
Chief Operating Officer, Project Business Division	Guan, Chang-Sheng													
Deputy General Manager, Engineering Technology Department	Yeh, Chih-Hsiung													

Remuneration Range Table

Total remuneration to each general manager and deputy general manager, as a percentage of net income, paid by the Company Remuneration Range	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All consolidated entities
Less than NT$1,000,000	-	-
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	-	-
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	-	-
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	Wu, Chun-Yen; Yeh, Chih-Hsiung	Wu, Chun-Yen; Yeh, Chih-Hsiung
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	Chang, Yu-Chi; Guan, Chang-Sheng	Chang, Yu-Chi; Guan, Chang-Sheng
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)	-	-
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)	-	-
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)	-	-
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)	-	-
NT$100,000,000 or above	-	-
Total	A total of 4 people	A total of 4 people

(III) Names of the managerial officers to whom the employees' remunerations were distributed in the most recent years (2025) and the distribution status

Unit: NT$thousand

Job title	Name	Amount in stock	Amount in cash	Total	Total amount as a % of net profit (%)
General Manager	Chang, Yu-Chi	-	533	533	0.52%
Deputy General Manager of Management Department	Wu, Chun-Yen				
Chief Operating Officer, Project Business Division	Guan, Chang-Sheng				
Deputy General Manager, Engineering Technology Department	Yeh, Chih-Hsiung				
Finance Manager of Management Department	Teng, Ya-Ning				

Note: The employees' remuneration for 2025 was approved by the Board of Directors on March 9, 2026, but has not yet been paid as of the date of publication of the annual report. Therefore, the proposed amount is listed.

(IV) Separately compare and describe total remuneration, as a percentage of net income of parent-company only or individual financial reports, paid by the company and all consolidated entities during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Analysis of the total remuneration, as a percentage of net income of parent-company only or individual financial reports, paid by the company and all consolidated entities to directors, supervisors, general managers, and assistant general managers:

Unit: NT$thousand; %

Job title	2024				2025			
	Total remuneration		Remuneration as a percentage of net income after tax (%)		Total remuneration		Remuneration as a percentage of net income after tax (%)	
	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities
Director	24,000	24,000	16.30%	16.30%	21,487	21,487	21.09%	21.09%
Supervisor	0	0	0%	0%	0	0	0%	0%
General Manager, Deputy General Manager (Excluding the directors' remuneration)	26,027	26,027	17.68%	17.68%	18,782	18,782	18.43%	18.43%

Reasons for the increase or decrease over these two years:

The total remuneration to the Company’s directors and supervisors in 2025 decreased from that for 2024, because the Company’s net profit after tax in 2025 declined by 31% compared with 2024.

(2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

A. Directors and Supervisors

In accordance with the Company's "Regulations Governing Remunerations to Directors, Functional Committee Members and Managerial Officers," in order to maintain the independence of independent directors, independent directors of the Company shall not participate in the distribution of the directors' remuneration distributed from annual profits when performing their duties for the Company. Regardless of the Company's operating profit or loss, they shall be paid a fixed remuneration. When attending meetings or performing activities related to the Company's business, they may successively claim attendance fees and actual travel allowances. The Board of Directors periodically reviews and adjusts the independent directors' remunerations based on their level of involvement and contribution to the Company's operations.

The ordinary directors and supervisors do not receive fixed remunerations. They may claim attendance fees and actual travel allowances only when attending meetings or performing activities related to the company's business. In addition, according to Article 26 of the Company's Articles of Incorporation, no more than three percent of the pre-tax profit of the current year before deducting the employees' remuneration and the directors' and supervisors' remuneration shall be allocated as the directors' and supervisors' remuneration.

B. Managerial Officer

The remuneration to the Company's managerial officers shall comply with the relevant provisions of the Company's "Regulations Governing Remunerations to Directors, Functional Committee Members and Managerial Officers" and "Regulations Governing Salary Management." The remunerations to managerial officers include fixed salary, variable salary, and other incentive instruments, the scope of application and issuance standards of which are determined according to the nature of the incentives, and are approved by the Remuneration Committee. The Remuneration Committee regularly reviews the performance evaluation of managerial officers, and remuneration

policies, systems, standards and structures, and may review the actual remuneration figures of managerial officers, to inspect the connection between the overall remuneration of managerial officers and the Company's operating performance to confirm that the Company's remuneration policy is complies with.

C. Connections to operating performance and future risks

In nutshell, the Company's remuneration policy takes the Company's overall operating performance, future business risks and development trends, as well as the individual's performance achievement and contribution to the Company's operations into account. The relevant performance evaluation and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed in a timely manner according to the actual operating conditions and relevant laws and regulations in order to seek a balance between the Company's sustainable operation and risk control.

III. The state of the company's implementation of corporate governance

(I) Operation of the Board of Directors:

The Board of Directors held 5 meetings in 2025 (A). The attendance of directors is as follows:

Job title	Name	Number of attendances in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Remark
Chairman	Liu, Yuan-Hong	5	0	100%	
Director	Representative of Ching Yun Investment Co., Ltd: Chang, Yu-Chi	5	0	100%	
Director	Chuang, Shun	5	0	100%	
Director	Representative of GSD Enviro Tech (Taiwan) Co., Ltd. : Wu, Wu-Hsiung	5	0	100%	
Director	Yeh, Chih-Hsiung	5	0	100%	
Independent Directors	Kong, Hui-Ping	5	0	100%	
Independent Directors	Huang, Po-Hsin	5	0	100%	
Independent Directors	Wu, Dai-Chang	5	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) There was no circumstance listed in Article 14-3 of the Securities and Exchange Act. Furthermore, on December 8, 2023, the Company has established the audit committee; upon the establishment, the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For the relevant information, please refer to “Operation of the Audit Committee” in the annual report.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. Implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the cause for recusal, and whether and how the director voted:

Board of Directors	Proposal description	Reasons for recusal due to conflict of interest and participation in voting

The 14th board The 10th meeting, 2025.11.11	Proposal of the 2025 year-end and performance bonus for the managerial officers: (I) Based on the Procedures of Bonus Distribution, Yushan Environmental Engineering Co., Ltd. (II) The remunerations of the Company's managerial officers are paid in accordance with the usual standards in the industry, as well as the Company's performance, personal performance and their contribution to the Company, for reasonable remunerations. (III) If the performance bonus of a year is not paid in full for the same period, it is proposed to retain it for the next period and pay it together with the employees' remuneration.	Directors Chang, Yu-Chi, Yeh, Chih-Hsiung, Chuang, Shun, and Deputy General Manager of Management Department, Wu, Chun-Yen, recused themselves from the discussion and voting (including proxy voting) due to conflicts of interest. After the chair consulted the remaining directors present, the proposal was approved as proposed.
	Proposal of the Chairman's remuneration for 2025: The Chairman receives the remuneration based on his/her level of participation and contribution to the Company's operations, while referring to the usual standards in the industry. The recommended remuneration is proposed based on the industry standards and his/her level of participation and contribution to the Company's operations, and submitted to the Remuneration Committee and the Board of Directors for deliberation and approval before implementation.	Chairman Liu, Yuan-Hong recused himself from the discussion and voting (including proxy voting) due to a conflict of interest as required by laws. Independent Director Huang, Po-Hsin was appointed to chair the meeting. After consulting with the other attending directors, the proposal was passed as proposed without objection.
	Proposal of 2026 salary adjustment for the managerial officers: The managerial officers' salaries are determined by taking the human resources market, the salary standards of comparable industries, the Company's job ranks and welfare policies into account. These are also adjusted according to the Company's operating conditions or salary adjustment policies. The annual salary adjustment scale is based on an employee's service years and job value. It is proposed that no salary adjustment be made for associate managers and above (inclusive), and 3% be used as the estimated salary adjustment for other managerial officers in 2026.	Directors Chang, Yu-Chi, Yeh, Chih-Hsiung, Chuang, Shun, and Deputy General Manager of Management Department, Wu, Chun-Yen, recused themselves from the discussion and voting (including proxy voting) due to conflicts of interest. After the chair consulted the remaining directors present, the proposal was approved as proposed.

III. TWSE/TPEx listed companies shall disclose information such as the evaluation cycle and period, scope, method, and content of the board's self-evaluation (or peer evaluation).

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation	Evaluation Content
Implemented once a year	2025.01.01 ~ 2025.12.31	Board of Directors, individual board members and each functional committee	Board of Directors' internal self-evaluation and board members' self-evaluation	I. Overall performance evaluation of the Board of Directors: 1. Degree of involvement in the company's operations 2. Improve the quality of decisions-making by the board 3. Composition and structure of the board 4. Election and continuing education of directors 5. Internal Control Board Performance Evaluation II. Self-evaluation of performance by board members: 1. Understanding the Company's goals and tasks 2. Recognition of directors' responsibilities 3. Degree of involvement in the company's operations 4. Internal relationship management and communication 5. The professionalism and continuing education of the directors 6. Internal Control III. Self- evaluation of performance by each functional committee member: 1. Degree of involvement in the company's operations 2. Recognition of the responsibilities of functional committees 3. Improve the quality of decision-making by functional committees 4. Composition and election of members of functional committees 5. Internal Control

IV. Evaluation of the goals and implementation status of strengthening the functions of the Board of Directors in the current and most recent years:

(I) The Company's board meetings follow the "Rules of Procedure for Board Meetings" and the implementation is satisfactory; and after a board meeting, important resolutions are announced on MOPS to achieve full disclosure and transparency of information and protect the rights and interests of shareholders.

(II) The Company's auditing department has included the operation of the Board of Directors in the internal control system in accordance with laws and regulations, and has carried out audits in accordance with the plan.

(III) The Company regularly arranges for its directors to participate in professional development courses or courses on corporate governance to enable them to maintain their professional advantages and capabilities.

(IV) In order to improve corporate governance and the professional functions of the board of directors, the Company established the Audit Committee composed of three independent directors in December 2023 to replace the function of the supervisor.

(V) None of the directors of the Company are spouses or relatives within the second degree of kinship to each other.

(VI) The Company has established the "Rules for Performance Evaluation of Board of Directors" and conducts performance evaluations annually.

(VII) Taking the legal risks of each director into account, the Company has purchased directors' liability insurance with an insurance amounting NT$33,000,000 for each director of the Company.

(II) Operation of the Audit Committee

The Audit Committee had four meetings in 2025 (A), and the attendance of independent directors was as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	Actual attendance rate (%) 【B/A】	Remark
Independent Directors	Huang, Po-Hsin	4	0	100%	Convener
Independent Directors	Kong, Hui-Ping	4	0	100%	
Independent Directors	Wu, Dai-Chang	4	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the Audit Committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of Audit Committee resolutions, and the measures taken by the Company based on the opinions of the Audit Committee:

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposal description	Independent Directors'	Resolutions of the Audit Committee	The Company's

		Opinions or Major Recommendations		treatment of the Audit Committee's opinion
The 1st Audit Committee The 7th meeting, February 27, 2025.	The Company's 2024 business report and financial statements.	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal of appointment and remuneration for attesting CPAs in 2025	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	The non-assurance services to the Company were provided by EY Taiwan in 2025	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the Company's Articles of Incorporation.	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal of the Company's 2025 "Operating Plan and Budget"	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the Company's Articles of Incorporation.	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the Company's "Internal Control System"	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
The 1st Audit Committee The 8th meeting, June 27, 2024	The Company's 2025 Q1 financial statements	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to establish the "Rules Governing the Preparation and Filing of Sustainability Reports"	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the "Procedures for Suspension and Resumption of Emerging Stock	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.

	Trading” to “Procedures for Suspension and Resumption of Trading”			
	Proposal to amend the " Internal Control System - Computerized Information System Cycle"	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
The 1st Audit Committee The 9th meeting 2025.08.11	Proposal of the report on 2025 Q2 financial reports	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to alter the 2025 budget	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to established the “Procedures for Handling Whistle-Blowing”	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the "Accounting System," "Management for Application of International Financial Reporting Standards," "Procedures for Accounting Professional Judgment, Accounting Policies, and Changes in Accounting Estimates," "Procedures Governing Supervision and Management of Subsidiaries," and "Procedures Governing Management of Financial Statement Preparation Process."	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the “Authority of Approval Chart”	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal of the 2026 audit plan	None	All committee members present unanimously	Not applicable.

The 1st Audit Committee The 10th meeting 2025.11.11			approved the proposal as proposed.	
	Proposal of the report on 2025 Q3 financial reports	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.
	Proposal to amend the "Authority of Approval Chart"	None	All committee members present unanimously approved the proposal as proposed.	Not applicable.

(II) In addition to the matters referred to above, any matter that was not approved by the Audit Committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communications between independent directors and the internal audit officer and the CPAs:

Dates and sessions of the Audit Committee meetings	Communication methods	Focuses of communications	Recommendations and results
The 1st Audit Committee The 7th meeting, February 27, 2025.	Meeting	Report on internal audit operations 2024 Statement of Internal Control System	All attending committee members have a full understanding of the audit implementation and effectiveness, and have no objections.
The 1st Audit Committee The 8th meeting 2025.05.12	Meeting	Report on internal audit operations	All attending committee members have a full understanding of the audit implementation and effectiveness, and have no objections.
The 1st Audit Committee The 9th meeting 2025.08.11	Meeting	Report on internal audit operations	All attending committee members have a full understanding of the audit implementation and effectiveness, and have no objections.
The 1st Audit Committee The 10th meeting 2025.11.11	Meeting	Proposal of the 2026 audit plan	All attending committee members approved that there was no major item requiring amendment.

IV. Key Tasks of the Audit Committee during the Year

The Audit Committee aims to assist the board of directors in fulfilling its oversight duty over the Company's quality and ethics in implementing relevant accounting, auditing, financial reporting processes and financial controls.

(III) Participation of the supervisors in the operation of the board of directors: The supervisors were dismissed during the board re-election on December 8, 2023 and replaced by the Audit Committee.

(IV) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established a "Corporate Governance Best-Practice Principle" and disclosed such on the MOPS.	No significant differences
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The Company has established a spokesperson and acting spokesperson system to ensure that information that may affect shareholders' decision-making can be disclosed in a timely manner, and has set up a dedicated mailbox to handle shareholder suggestions or disputes, and will consult lawyers when necessary for the most appropriate handling.	No significant differences
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(II) The Company reports any change in the shareholding of its insiders (directors, managerial officers and major shareholders holding 10% or more of the shares) on a monthly basis in accordance with the law.	
(III) Has the Company built and implemented a risk management	✓		(III) The Company has established the "Procedures for Supervision and Management of Subsidiaries," and the Company and its	

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
system and a firewall between the Company and its affiliates?			subsidiaries operate independently while strictly complying with relevant laws and regulations and internal control regulations, the “Regulations Governing Management of Transactions with Related Parties, Specific Companies and Group Enterprises” to implement firewalls and risk control mechanisms with affiliates.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(IV) The Company has established an “Operating Procedures for Preventing Insider Trading” to prohibit the Company’s insiders from using non-public information in the market to trade securities. In addition, there are "Operating Procedures for Handling Internal Material Information" serving as the basis for the Company's material information handling and disclosure mechanisms.	
III. Composition and responsibilities of the board of directors (I) Does the board of directors establish the dIVersity policy, concrete management targets, and implement such?	✓		(I) The Company implements the diversity policy for the board members and regulates the diversity guidelines of board members in accordance with the "Corporate Governance Best-Practice Principles." The composition of the board of directors shall emphasize diversity of their backgrounds. In addition to ensuring that no more than one-third of the directors concurrently	No significant differences

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			serve as the Company's managerial officers, the board shall formulate the appropriate diversity guidelines based on its own operations, business model, and development needs. This shall include, but is not limited to, the following two main criteria: 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional expertise and industry experience, etc. 3. Specific management objectives: The board of directors shall include at least one female director; no more than one-third of the directors concurrently serve as the Company's managerial officers; and no more than two directors shall be spouses or relatives within the second degree of kinship.	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		✓	(II) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, the Company will establish other functional committees in accordance with laws and regulations in the future.	

Evaluation item		Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
		Yes	No	Summary description	
(III)	Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(III) The Company has established the "Rules for Performance Evaluation of Board of Directors" to regularly evaluate the performance of the Board of Directors and each functional committee annually and submit a report to the Board of Directors.	
(IV)	Does the Company regularly evaluate its external auditors' independence?	✓		(IV) The Company's CPAs issue the "Independence Statement," and their firm provide the information on 13 audit quality indicators (AQIs). The Company, pursuant to the "Guidance for Audit Committees on Interpreting the Audit Quality Indicators (AQI)" issued by the competent authority, assess the audit quality of the accounting firm and the audit team. The Audit Committee regularly assesses the independence of the CPAs and then submits the assessment results to the Board of Directors. The independence and competence of the CPAs of the Company in 2026 were assessed by the accounting/finance unit through the "Accountant	

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Independence Assessment Form" (the assessment content was based on No. 10 of the "the Norm of Professional Ethics for Certified Public Accountant of the Republic of China" and Article 47 of the "Accountants Act"). The Audit Committee adopted the resolution to approve the assessment on March 9, 2026, and the Board of Directors approved the same on the same day. Upon the assessment, the current CPAs have been found to meet the Company's independence and competence assessment standards, and are qualified to serve as the Company's attesting CPAs. For a list of the criteria for assessing CPAs' independence, please refer to page 28 (Note 1).	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual	✓		The Company has appointed a corporate governance officer and a board secretary, who are dedicated and responsible for handling matters related to corporate governance and shareholder services in accordance with relevant government laws and corporate governance best-practices principles.	No significant differences

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
general meetings of shareholders, as required by law, and compiling minutes of board meetings and annual general meetings)?				
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		Depending on the circumstances, the Company provides contact information for spokespersons and relevant departments on our website, as well as an "Investor Section" to properly address stakeholders' concerns regarding issues including corporate social responsibility.	No significant differences
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has engaged the Shareholder Service Agency Department of CTBC as our shareholder service agent to handle affairs of shareholders' meeting.	No significant differences
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(I) The official website (url:http://www.yseec.com) has been set up and is regularly updated with finance, business, and corporate governance information.	No significant differences
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language	✓		(II) The Company has assigned the dedicated personnel as the contact point for investors. Investors can learn about financial information	

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?			from the website. The Company's website also discloses the Company's information by linking to the MOPS.	
(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status reports before the stipulated deadlines?	✓		(III) The Company has made announcement and filed financial reports early.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing	✓		(I) The Company has always treated the rights and interests of employees with good faith and has established the Employee Welfare Committee to provide various benefits and allowances. (II) For information on the Company's relationship with its suppliers, please refer to the relevant section "Overview of Operations" for the "Market and Production Overview" in this annual report. (III) The Company's directors and independent directors have taken continuing education courses on corporate governance.	No significant differences

Evaluation item	Operation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
liability insurance for directors and supervisors)?			(IV) The Company's directors and independent directors are in good standing to attend board meetings and offer their opinions on management when appropriate. (V) The directors and independent directors of the Company have adhered to the principle of ethical management, and have no litigation or illegal activities. (VI) The Company has spokespersons, website and other channels to provide the latest information and communication channels for the Company.	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: Not applicable.				

Note 1: Listing the Criteria for Assessing the Independence and Competence of CPAs

Evaluation item	Yes	No
1. The attesting CPA has no direct or significant indirect financial relationship with the Company.	✓	
2. The attesting CPA has no significant close business relationship with the Company.	✓	
3. The attesting CPA has no potential employment relationship when auditing the Company.	✓	
4. The attesting CPA has no financial lending or borrowing relationship with the Company.	✓	
5. The attesting CPA has not received significant gifts or presents from the Company or its directors, supervisors, or managers that exceed the general standards of social etiquette.	✓	
6. The attesting CPA has not provided audit services to the Company for seven consecutive years.	✓	
7. The attesting CPA does not hold any shares in the Company.	✓	
8. The attesting CPA, their spouse, dependents, or audit team members have not held any positions as directors, supervisors, or managers of the company, nor any positions with significant influence on the audit case during the audit period or the past two years. It is also confirmed that they will not hold such positions during future audit periods.	✓	
9. Has the attesting CPA complied with the independence regulations in Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant and obtained the "Independence Declaration" issued by the attesting CPA	✓	

(V) The composition and operation of the Company's Remuneration Committee.

1. Information on members of the Remuneration Committee

March 31, 2026

Status	Qualification / Name	Professional qualifications and experience	Independence analysis	Number of other public companies in which also concurrently serving as a member of the Remuneration Committee
Independent Director (Convener)	Huang, Po-Hsin	Specialized professionals and technicians who hold CPA certificates. At least five years work experience in commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act	The independent directors themselves, their spouses, and relatives within second degrees of kinship are not directors, supervisors, or employees of the Company or any of its affiliates Not holding any share of the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company in the past 2 years and receiving remuneration.	None

Independent Directors	Kong, Hui-Ping	At least five years work experience in commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act	The independent directors themselves, their spouses, and relatives within second degrees of kinship are not directors, supervisors, or employees of the Company or any of its affiliates Not holding any share of the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company in the past 2 years and receiving remuneration.	Independent Directors, Mitake Information Corporation
Independent Directors	Wu, Dai-Chang	At least five years work experience in commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act	The independent directors themselves, their spouses, and relatives within second degrees of kinship are not directors, supervisors, or employees of the Company or any of its affiliates Not holding any share of the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. Not providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company in the past 2 years and receiving remuneration.	None

2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The term of office for this committee is from December 8, 2023 to December 7, 2026. The Remuneration Committee held two meetings in 2025 (A). The qualifications and attendance of the committee members are as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	Actual attendance rate (%) 【B/A】	Remark
Convener	Wu, Dai-Chang	2	0	100%	
Committee member	Huang, Po-Hsin	2	0	100%	
Committee member	Kong, Hui-Ping	2	0	100%	
Other information required to be disclosed: 1. Where the Board does not adopt or amend the recommendations of the Remuneration Committee, it shall specify the date of board meeting, session, content of the proposal, the result of the Board resolution, and the Company's treatment of the Remuneration Committee's opinion: None. 2. For matters resolved by the Remuneration Committee, if any member has dissent or reserved opinions and there is a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, the opinions of all members, and the treatment of the members' opinions shall be specified: None.					

(VI) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company's sustainable development tasks are spearheaded by General Manager Chang, Yu-Chi, who serves as the chief convener, and Deputy General Manager, Wu, Chun-Yen, as the deputy convener. They are responsible for formulating sustainable development policies, performance monitoring, and managerial guidelines for the entire Company. Other units, including Strategy Development Office, Project Business Division, Engineering Technology Department, Management Department, and Safety and Health Office actively promote and implement sustainable development and related business activities, and prepare sustainable development reports. To enable the Board of Directors to understand and supervise the progress of the Company’s sustainable development efforts, a quarterly report on the implementation of sustainable development initiatives is submitted to the Board of Directors.	No significant deviance
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality	✓		1. The "Risk Management Policy and Procedures" have been established as the highest guiding principle for risk management, integrating the spirit of risk management into the Company's operating strategy. The Company and its	No significant deviance

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
principle, and formulate relevant risk management policies or strategies?			subsidiaries' boards of directors, managerial officers at all levels, and employees jointly participate in and promote its implementation. Through the "Risk Management Policy and Procedures," various risks can be identified, analyzed and assessed more effectively. Each operating unit formulates risk response strategies and implements them, and a dedicated unit is responsible for supervising and disclosing the status of various risk control measures. 2. The Company has also strengthened its governance of information security risks and has established information security-related protective measures such as firewalls, information security equipment, and antivirus software. These measures prevent external attacks such as malicious hackers, computer viruses, and ransomware from affecting the stable operation of the Company's operating systems. We also conduct annual disaster recovery drills regularly to ensure that our information systems are not affected by external factors and that the Company's operations are not impacted.	
III. Environmental Issues				

Item		Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary description	
(I)	Has the Company set an environmental management system designed to industry characteristics?	✓		The Company has a safety and health management office in place monitoring and providing employees with a healthy and safe working environment at all times. The Company has established the ISO45001 occupational safety and health management system.	No significant deviance
(II)	Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The Company is dedicated to business of soil and groundwater remediation projects and resource recycling. Although we are not a manufacturing company, we always monitor laws and regulations and strive to improve resource utilization efficiency to reduce the impact on the natural environment and ensure sustainable development. The Company continuously promotes various energy-saving and carbon-reduction measures. The temperature settings in offices and factories comply with environmental protection policies, and we turn off lights when not in use to avoid wasting resources.	No significant deviance
(III)	Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		The Company will continue to support the domestic and international climate initiatives, comprehensively promote climate action, and strive to achieve net-zero emissions. In order to achieve sustainable development and effectively address climate-related risks, in addition to setting management policies, we also set indicators and	No significant deviance

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			targets, and plan short-, medium- and long-term management measures and actions. The Company has established six major management projects, reviews the implementation results annually, and takes industry trends and international sustainability trends into account to adjust future strategies in a timely manner for ensuring that the operating model is consistent with sustainable development goals.	
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		The Company has already compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for this year. The temperature settings in offices and factories also comply with environmental protection policies, and turning off lights when not in use, to avoid wasting resources, thereby achieving the goal of energy saving and carbon reduction.	No significant deviance
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		In addition to complying with labor laws and regulations, the hiring, salaries, and benefits of the employees are governed by human resources rules and regulations, such as employment contracts, work rules; the talent recruitment adheres to the principles of openness and equality, regardless of race, gender,	No significant deviance

Item		Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary description	
				age, religion, or nationality, in order to protect the legitimate rights and interests of our employees.	
(II)	Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		The Company has the Employee Welfare Committee to handle employees' benefits, and has also established the Regulations Governing the Employees' Remuneration Distribution. Every year, in accordance with the company's Articles of Incorporation, no less than 3% of the pre-tax net profit is provided to employees as the remuneration, which is then distributed according to individual performance.	No significant deviance
(III)	Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		Smoking and drinking are strictly prohibited in all workplaces ofthe Company. In addition to regularly commissioning professional companies to conduct public safety inspections, we also regularly conduct education and training courses for our employees. We also provide labor insurance (including occupational accident insurance), national health insurance, and accident insurance in accordance with the law, and conduct regular health checkups every year, hoping that our employees can have a safe and healthy working environment.	No significant deviance

Item		Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary description	
(IV)	Has the Company established effective career development training programs for employees?	✓		The Company provides education and training for every employee and encourages departments to arrange for employees to participate in external training courses to enhance their professional skills depending on their work natures.	No significant deviance
(V)	Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The Company actively promotes sustainable operations and values communication with stakeholders. To this end, the Company has established "Procedures for Ethical Management and Guidelines for Conduct" to clearly regulate the process and confidentiality mechanism for whistle-blowing and investigation. We encourage both internal and external personnel to report, appeal, or provide relevant suggestions regarding unethical or improper conduct, and we rigorously protect the identity information of both the whistleblower and the reported party during the handling process. If the allegations are verified, the relevant departments of the Company will review and improve the internal control system and operating procedures, and propose improvement measures to prevent similar incidents from happening again.	No significant deviance

<table>
<tr><th colspan="2" rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(VI)</td><td>Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</td><td>✓</td><td></td><td>The Company may, depending on the actual practices, enter contracts with major suppliers that include clauses allowing us to terminate or rescind the contract at any time if the supplier has a significant impact on environmental protection, occupational safety and health, or labor rights. The Company actively implements a supply chain sustainability management mechanism. Through institutionalized policies and the setting of sustainability management goals, we continuously enhance the transparency and management efficiency of the supply chain, ensuring that our suppliers are aligned with our sustainability objectives.<table><tr><th>Environmental aspects</th><th>Social aspects</th><th>Governance aspect</th></tr><tr><td>1. Examine significant negative events or violations related to environmental issues, including but not limited to</td><td>1. Examine significant negative events or records of illegal activities related to social issues,</td><td>1. Examine significant negative events or records of illegality related to governance issues,</td></tr></table></td><td>No significant deviance</td></tr>
</table>

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			exceeding limits for hazardous substances, air pollution emissions, water pollution emissions, and improper disposal of waste. 2. Assess potential negative impact factors related to environmental issues, such as high carbon emissions, increased energy consumption and resource waste from off-site procurement. such as violations of labor rights or occupational safety. 2. Assess potential negative impact factors related to social issues, such as wages below the standard wage. including corporate fraud, bribery, or false financial statements. 2. Assess potential negative impact factors related to governance issues, such as insufficient operational soundness.	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	The Company prepares reports that disclose non-financial information about the Company, such as sustainability reports.	Although our sustainability reports have not been verified by a third-party institution, they have been prepared in accordance with GRI guidelines.
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: no significant deviation.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: The Company is dedicated to soil and groundwater remediation projects and resource recycling. In addition to obtaining permits for the installation of stationary pollution sources, we have also installed relevant environmental protection equipment. In addition, the Company has numerous technicians holding Class A or Class B waste disposal qualifications, while complying with laws such as the Waste Disposal Act, the Water Pollution Control Act, and the Air Pollution Control Act to carry out pollution control in order to maintain environmental quality.				

(VIII) Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>The Company's board of directors is the highest decision-making body for risk management. In order to strengthen the management of climate-related risks, it has begun to establish relevant management systems and standards, and set climate risk monitoring indicators as the basis for continuous supervision. The corporate governance officer reports annually to the Audit Committee and the board of directors on the implementation of climate-related risk management, ensuring that climate issues are incorporated into the corporate governance structure.
At the management level, the Sustainability Development Team is the implementation unit, which comprises six task forces. These task forces assess climate risks and formulate corresponding action plans. They are responsible for promoting the development and implementation of relevant sustainability policies, systems, and objectives, and regularly submit a report on the implementation status to the Board of Directors annually.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>1. The Company defines the likelihood of climate risks and opportunities as follows: short-term (within 1 year), short-to-medium term (1-3 years), medium term (3-7 years), medium-to-long term (7-10 years), and long term (over 10 years); financial shocks are defined as mild, moderate, high, significant, and extreme. Against 17 climate risks and opportunities, we have assessed their likelihood of occurrence and financial shocks, and five major potential climate risks and opportunities were identified.
<table>
<tr><th>Risk</th><th>Risk category</th><th>Risk items</th><th>Financial impact</th><th>Likelihood of occurrence</th></tr>
<tr><td rowspan="5">Physical risk</td><td rowspan="3">Immediacy - extreme weather</td><td>Damage to operating equipment</td><td>Moderate</td><td>Short and medium term</td></tr>
<tr><td>Employees’ health and safety</td><td>Moderate</td><td>Short and medium term</td></tr>
<tr><td>Operation interruption</td><td>Moderate</td><td>Mid-term</td></tr>
<tr><td rowspan="2">Long-term - Long-term climate impacts</td><td>Rising average temperature</td><td>Moderate</td><td>Mid- and long term</td></tr>
<tr><td>Rising sea level</td><td>Moderate</td><td>Mid- and long term</td></tr>
<tr><td>Transformative risks</td><td>Policies and regulations</td><td>Greenhouse gases and energy regulations</td><td>Moderate</td><td>Mid-term</td></tr>
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<tr><td></td><td>
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<tr><td></td><td></td><td>Industrial electricity tariff increase and collection of water consumption fee</td><td>Moderate</td><td>Short and medium term</td></tr>
<tr><td></td><td>Technology risks</td><td>The cost of low-carbon transformation</td><td>Moderate</td><td>Mid-term</td></tr>
<tr><td></td><td>Market risk</td><td>Changes in consumer behavior and preferences</td><td>Moderate</td><td>Mid-term</td></tr>
<tr><td></td><td>Reputational risk</td><td>Goodwill impairment</td><td>Moderate</td><td>Mid-term</td></tr>
</table>
2. In the short term, climate-related risks and opportunities will not have a particularly significant impact on the Company's industry, but the long-term impact of climate issues will inevitably increase year by year; the Company needs to develop green manufacturing in the long term to ensure its steady development.
3. The Company will periodically review environmental, social and economic (including corporate governance) risks and opportunities in accordance with its "Risk Management Policy and Procedures."</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>1. Extreme weather events such as typhoons and heavy rainfall may have a significant impact on Yushan Environment. Since most of the business undertaken by the Company is located in outdoor environments, extreme weather conditions will increase the risk of damage to operating equipment and may endanger the lives of on-site personnel. Such incidents may cause projects to be unable to continue, delivery delays, and additional expenses for equipment repair and replacement, which may have an adverse impact on the Company's overall operations and finances.
Under the transformation towards a low-carbon economy, Yushan Environment may face transformation risks such as policy and regulatory challenges, technological developments, and reputational damage. To mitigate the impact of potential risks on operations and finances, the Company must closely monitor updates to domestic and international sustainability regulations and keep abreast of market demand for low-carbon services. Meanwhile, we shall strengthen the feasibility assessment of R&D and technology introduction to reduce the financial pressure caused by technology development failures and equipment upgrades.</td></tr>
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<table>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>Yushan Environment has a risk management team that, in accordance with the "Risk Management Policy and Procedures," effectively identifies, analyzes, and assesses environmental protection (including climate and natural resources) risks, while formulating risk response strategies, and reporting on the risk management operation to the Audit Committee and the board of directors at least once a year.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>Currently, there is no scenario analysis available to assess resilience in the face of climate change risks.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td><td>To mitigate the impact of extreme weather events and transformation risks on Yushan Environment, we have established management policies and targets for our daily operations.
<table>
<tr><th>Target</th><th>Management policies</th></tr>
<tr><td>Reduce overall energy consumption</td><td>1. Use high-efficiency or energy-saving certified equipment and continuously replace equipment high-energy-consuming and/or without energy-saving certification.
2. Establish and continuously promote energy-saving culture in Yushan Environment.</td></tr>
<tr><td>Reduce exhaust emissions</td><td>1. Continuously optimize the treatment process to reduce air pollutants.
2. Install air pollution control equipment at the site of remediation factories to remove pollutants.
3. Establish office exhaust gas management procedures at operating locations to meet indoor air quality standards.
4. Continuously monitor air pollution regulations and ensure that remediation and operation sites meet air emission standards.</td></tr>
</table></td></tr>
</table>

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company is currently learning about and evaluating the content of the internal carbon pricing system.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Setting climate-related targets is still under evaluation and planning.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to 1-1 and 1-2 for details.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
Pursuant to the “Sustainable Development Roadmap for TWSE/TPEx Listed Companies,” the Company falls under the category of companies with paid-in capital of less than NT$5 billion. 1. The parent company shall start the inventory since 2026. 2. Subsidiaries in the consolidated financial statements shall start the inventory since 2027. This year, the parent company has been inventoried. In 2025, Yushan's total greenhouse gas emissions were 320.820 tCO_2e, with Scope 1 greenhouse gas emissions totaling 63.9847 metric tons, Scope 2 greenhouse gas emissions totaling 192.4888 metric tons, and Scope 3

greenhouse gas emissions totaling 64.3653 metric tons of carbon dioxide equivalent (tCO_2e). Currently, the relevant responsible units are conducting annual inventories, and internal audits and data verification procedures are being carried out simultaneously. The data is a preliminary statistical result and is not the approved final version. The final version of the actual greenhouse gas inventory results will be officially prepared in the "2025 Sustainability Report" to be published in August 2026.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Pursuant to the “Sustainable Development Roadmap for TWSE/TPEx Listed Companies,” the Company falls under the category of companies with paid-in capital of less than NT$5 billion.
1. The parent company shall start the assurance since 2028.
2. Subsidiaries in the consolidated financial statements shall start the assurance since 2029.
The Company has not yet initiated the assurance process and will follow the regulatory timeline to plan the subsequent implementation plan, and will disclose relevant information at the appropriate time.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

1. Electricity consumption and air conditioning (Scope 2, Priority)
   I. Air conditioning temperature/time period management (e.g., 26–28°C, control by zone)
   II. Replacement of lighting (LED in all areas, sensor/timed)
   III. Energy saving in IT and office equipment (computer power saving policies, server/data center efficiency)
   IV. Energy management (segmented metering, peak/off-peak management, energy consumption KPIs)
2. Procurement (Paper, IT, cleaning, food & beverage) (Scope 3)
   I. Green procurement practices (e.g., environmental label, EPEAT/ENERGY STAR, recycled paper)
   II. Lease instead of purchase / Extension of equipment life (delayed decommission of laptop, repair)
   III. Paper reduction (electronic signature and approval, default double-sided monochrome printing)
3. Waste and resource recycling (Scope 3)
   I. Optimization of recycling classification
   II. Reduce the use of disposable utensils (cups/tableware)
   III. Food waste/recycling cooperation

(VIII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Operation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct," specifically regulating the matters that the Board of Directors, management and all employees shall pay attention to when performing business.	No significant deviance
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no	✓		(II) In the "Ethical Corporate Management Best Practice Principles," the preventive measures are established for each item in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" or other business activities within our business scope that have a high risk of unethical conduct.	

Evaluation item	Operation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓			
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?			(III) The Company's Board of Directors has adopted the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct," specifying the procedures for recusal against conflict of interest and improper benefits, and are strictly implemented in accordance with the procedures.	
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(I) Before conducting any transaction,the Company shall assess whether the counterparty has a history of unethical conduct to avoid doing business with those who have such a record.	No significant deviance
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at		✓	(II) It is intended, in accordance with our operational situation and the requirements of the competent authorities, to establish a dedicated unit to promote ethical corporate	The specific arrangements will depend on the Company's

Evaluation item		Operation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
		Yes	No	Summary description	
	least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?			management at an appropriate time, and report the progress of handling to the Board of Directors on a regular basis.	operating conditions and scale.
(III)	Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(III) The Company has already included relevant provisions in the "Procedures for Ethical Management and Guidelines for Conduct."	No significant deviance
(IV)	Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		(IV) The Company has established a complete accounting system and internal control system in accordance with regulatory requirements. In addition to the internal audit unit conducting audits regularly in accordance with the audit plan, the accountant also conducts an annual audit of the internal control system.	No significant deviance
(V)	Does the company provide internal and external ethical corporate	✓		(V) The Company will periodically explain the principles and policies of ethical management	No significant deviance

Evaluation item	Operation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
management training programs on a regular basis?			at various meetings (such as annual meetings, labor-management meetings, etc.).	
III. Implementation of Complaint Procedures				
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		(I) The Company values the promotion of ethical values and encourages employees to report to the Company if they suspect or discover any violation of laws or company rules.	No significant deviance
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		(II) The Company has established “Procedures for Ethical Management and Guidelines for Conduct,”specifying the reporting and investigation procedures and confidentiality mechanisms.	No significant deviance
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		(III) The Company keeps the personal information of whistleblowers confidential.	No significant deviance
IV. Strengthening Information Disclosure				In the future, we will assess the

Evaluation item	Operation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?		✓	The Company has not yet disclosed any information regarding its ethical management on its website.	possibility of including relevant ethical corporate management on the company website for disclosure.
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No material deviation.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies:none.				

(IX) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance: Section of sustainable development.

(X) Implementation of the company's internal control system shall disclose the follows:

1. Statement on Internal Control: Please refer to the "Announcement of Statement on Internal Control" section on the MOPS.

   MOPS (Corporate Governance > Announcement of Statement on Internal Control)

   (https://mops.twse.com.tw/mops/#/web/t06sg20)

2. Auditor's Review Report on the Internal Control System commissioned to the CPAs: None.

(XI) In the most recent year and up to the date of publication of the annual report, the Company and its internal personnel were penalized in accordance with the law, or the Company penalized its internal personnel for violating the provisions of the internal control system. If the result of the penalty may have a significant impact on shareholders' equity or securities prices, the description of the penalty, the main deficiencies and the improvement situation are: None.

(XII) Material resolutions of a shareholders meeting or a board of directors meeting during the current fiscal year (2025) up to the date of publication of the annual report.

1. Material resolutions of the shareholders' meeting:

Meeting Dates	Kry resolutions
2025 Shareholders' Meeting 2025.06.23	1. 2024 business report and financial statements.
	2. 2024 Cash dividend distribution.
	3. 2024 Profit distribution proposal.
	4. Proposal to amend the Company's "Operating Procedures for Endorsement/Guarantee," "Operating Procedures for Loaning of Funds to Others," "Operating Procedures for Acquisition and Disposal of Assets," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Sustainable Development Best Practice Principles," "Code of Ethical Conduct", and "Articles of Incorporation."

2. Material resolutions of the board meetings:

Meeting session Meeting Dates	Kry resolutions
The 14th board The 7th board meeting 2025.02.27	1. The Company's 2024 business report and financial statements.
	2. Proposal of the 2024 "Statement of Internal Control System"
	3. Proposal to distribute the employees' remuneration and directors' remuneration for 2024
	4. Proposal to distribution 2024 earnings
	5. Proposal of appointment and remuneration for attesting CPAs in 2025
	6. Proposal of the non-assurance services to the Company provided by EY Taiwan in 2025
	7. Proposal of the Company's 2025 "Operating Plan and Budget"
	8. Proposal of the Company's "Performance Evaluation of Board of Directors"
	9. Proposal to amend the Company's Articles of Incorporation.
	10. In response to regulatory revisions, it is intended to define the scope of the Company's non-executive employees.
	11. Proposal to adjust the investment structure of the subsidiary Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.
	12. Proposal to change the custodian of the Company's seal for endorsement/guarantee

Meeting session Meeting Dates	Kry resolutions
	13. Proposal of remuneration Plan for the Company's managerial officer (Chief Operating Officer)
	14. Proposal of credit facility
	15. Proposal to amend the Company's "Internal Control System"
	16. Proposal to determine matters related to convening the 2025 general shareholders' meeting of the Company
The 14th board The 8th board meeting 2025.05.12	1. The Company's 2025 Q1 financial statements
	2. Proposal to determine the base date of capital increase for the common share conversion by exercising the first employee subscription warrants issued in 2022
	3. Proposal to establish the "Rules Governing the Preparation and Filing of Sustainability Reports"
	4. Proposal to amend the "Procedures for Suspension and Resumption of Emerging Stock Trading"
	5. Proposal to amend the " Internal Control System - Computerized Information System Cycle"
	6. Proposal of settlement and liquidation for Hong Kong Yushan International Co., Ltd.
	7. Proposal of credit facility
The 14th board The 9th board meeting 2025.08.11	1. The Company's 2025 Q2 financial statements
	2. Proposal to alter the 2025 budget
	3. Proposal to established the "Procedures for Handling Whistle-Blowing"
	4. Proposal to prepare the "2024 Sustainability Report"
	5. Proposal to amend the "Accounting System," "Management for Application of International Financial Reporting Standards," "Procedures for Accounting Professional Judgment, Accounting Policies, and Changes in Accounting Estimates," "Procedures Governing Supervision and Management of Subsidiaries," and "Procedures Governing Management of Financial Statement Preparation Process."
	6. Proposal to amend the "Authority of Approval Chart"
	7. Proposal of bank credit facility and limits for foreign exchange hedging
The 14th board The 1st special board meeting 2025.09.18	1. Proposal to repurchase shares to protect the Company's credit and shareholder equity.
The 14th board The 10th board meeting 2025.11.11	1. Proposal to determine the base date of capital increase for the common share conversion by exercising the first employee subscription warrants issued in 2022 and 2023
	2. Proposal of the 2026 audit plan

Meeting session Meeting Dates	Kry resolutions
	3. The Company's 2025 Q3 financial statements
	4. Proposal to amend the “Authority of Approval Chart”
	5. Proposal of credit facility with banks
	6. Matters discussed at the 5th meeting of the 1st Remuneration Committee
The 14th board The 2nd special board meeting 2026.01.12	1. Proposal for the Company to participate in the tender for the establishment of superficies rights in the land tender by Taiwan Sugar Corporation.
The 14th board The 10th board meeting 2026.03.09	1. Proposal to determine the base date of capital increase for the common share conversion by exercising the first employee subscription warrants issued in 2022 and 2023
	2. Cancelled the Company's first repurchase of treasury shares and determine the capital reduction base date.
	3. Proposal of the 2025 “Statement of Internal Control System”
	4. The Company’s 2025 business report and financial statements.
	5. Proposal to distribute the employees’ remuneration and directors' remuneration for 2025
	6. Proposal to distribution 2025 earnings
	7. Proposal to replace the attesting CPAs in 2026
	8. Proposal of appointment and remuneration for attesting CPAs in 2026
	9. Proposal of the non-assurance services to the Company provided by EY Taiwan in 2025
	10. Proposal of the Company's 2026 "Operating Plan and Budget"
	11. Proposal of the Company's "Performance Evaluation of Board of Directors"
	12. Proposal of remuneration Plan for the Company's managerial officer (Chief Operating Officer)
	13. Proposal to distribute the employees’ remuneration to managerial officers for 2025
	14. In response to regulatory revisions, it is intended to define the scope of the Company's non-executive employees and evaluate regularly
	15. Proposal to amend the Company's Procedures for Paying Remunerations to Directors, Functional Committee Members, and Managerial Officers
	16. Proposal to amend the Company's "Operating Procedures for Endorsement/Guarantee"
	17. Proposal to amend of the Company's "Operating Procedures for Acquisition and Disposal of Assets."

Meeting session Meeting Dates	Kry resolutions
	18. Proposal to amend of the Company's “Sustainable Development Best Practice Principles”
	19. Full re-election of directors (including independent directors) and nomination period, number of seats, location and nomination period for nominees
	20. The Board of Directors' nomination and deliberation of the director candidates’ (including independent directors) qualifications
	21. Removal of the non-compete restrictions for the new directors
	22. Investment to develop the waste market.
	23. Proposal of credit facility
	24. Proposal to determine matters related to convening the 2026 general shareholders’ meeting of the Company

(XIII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director and the supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on the professional fees of the attesting CPAs

(I) Information on the professional fees of the attesting CPAs

Unit: NT$ thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remark
EY Taiwan	Calvin Chen Dick Hung	2025/01/01 - 2025/12/31	2,300	1,250	3,550	

Note: The non-audit service fee include the tax attestation and sustainability consulting service project.

(II) If the company has any of the following circumstances, it shall disclose the following matters:

1. If the company changed its CPAs or accounting firm during the fiscal year, and the audit fee paid for the year changing the CPAs is less than the year prior to the change, the amounts of the audit fee before and after the change shall be disclosed: none.
2. If the audit fee decrease by 10% or more compared to the previous year, the amount, percentage, and reasons for the decrease in audit fee shall be disclosed: None.

V. Information on replacement of certified public accountant

(I) Information regarding the former CPAs: not applicable.

(II) Information regarding the successor CPAs: not applicable.

(III) The former CPA's reply to Article 10, Subparagraph 6, item 1 and item 2-3 of the Principles: Not applicable.

VI. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job title	Name	2025		2026 up to March 27	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Number of shares held Increase (decrease)	Number of pledged shares Increase (decrease)
Chairman	Liu, Yuan-Hong	-	-	-	-
Director	Representative of Ching Yun Investment Co., Ltd: Chang, Yu-Chi	-	-	-	-
Director and Associate Manager of Project Business Unit	Chuang, Shun	30,000	-	-	-
Director and Deputy General Manager of Engineering Technology Department	Yeh, Chih-Hsiung	7,000	-	-	-
Director	GSD Enviro Tech (Taiwan) Co., Ltd. Representative: Wu, Wu-Hsiung	-	-	-	-
Shareholders holding more than 10%	GSD Enviro Tech (Taiwan) Co., Ltd.				
Independent Directors	Huang, Po-Hsin	-	-	-	-

Job title	Name	2025		2026 up to March 27	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Number of shares held Increase (decrease)	Number of pledged shares Increase (decrease)
Independent Directors	Kong, Hui-Ping	-	-	-	-
Independent Directors	Wu, Dai-Chang	-	-	-	-
General Manager	Chang, Yu-Chi	149,500 (100,000)		-	
Deputy General Manager of Management Department, Accounting Supervisor, and Corporate Governance Supervisor	Wu, Chun-Yen	43,000	-	-	-
Project Business Division Chief Operating Officer	Guan, Chang-Sheng	8,000 (4,000)	-	-	-
Financial Manager	Teng, Ya-Ning	31,000 (100,000)	-	-	-

(II) Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged:

Unit: Share; NT$

Name	Reasons for equity transfer	Transaction date	Transaction Counterparty	The relationship between the counterparty and the company, its directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares.	No. of shares	Transaction price
Chang, Yu-Chi	Over-allotment	2025.01.03	SinoPac Securities Co., Ltd.		100,000	39.6
Teng, Ya-Ning	Gift	2025.06.06	Tsai, Hau-Yu	Mother and son	50,000	44.4
Teng, Ya-Ning	Gift	2025.06.06	Tsai, Da-Hui	Husband and wife	50,000	44.4

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

March 27, 2026; Unit: Shares; %

Name	Shares held by the shareholder		Shares held by spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relation	
GSD Environmental Technology Co., Ltd.	6,563,000	19.45%	-	-	-	-	-	-	-
Representative: Hsieh, Hong-Jong	-	-	-	-	-	-	-	-	-
Chen Yu Investment Co., Ltd	2,729,000	8.09%	-	-	-	-	Liu, Yuan-Hong	Person in charge	-
Representative: Liu, Yuan-Hong	997,500	2.96%	400,000	1.19%			Liu-Chen, Mei-Ji	Mother and son	-
Ching Yun Investment Co., Ltd	2,708,000	8.02%	-	-	-	-	Chang, Yu-Chi	Person in charge	-
Representative: Chang, Yu-Chi	914,300	2.71%	1,026,069	3.04%	-	-	Lin, Tsai-Lin	Spouse	-
Liu, Yuan-Hong	997,500	2.96%	400,000	1.19%	-	-	Liu-Chen, Mei-Ji	Mother and son	
							Chen Yu Investment Co., Ltd	The person in charge of the company	
Lin, Tsai-Lin	1,026,069	3.04%	914,300	2.71%	-	-	Chang, Yu-Chi	Spouse	
Chang, Yu-Chi	914,300	2.71%	1,026,069	3.04%	-	-	Lin, Tsai-Lin	Spouse	-
							Ching Yun Investment Co., Ltd	The person in charge of the company	
Liu-Chen, Mei-Ji	740,000	2.19%	997,500	2.71%	-	-	Liu, Yuan-Hong	Mother and son	
Yen, Mei-Yu	630,000	1.87%	-	-	-	-	-	-	-
Mega Venture Capital Co., Ltd.	685,000	2.03%	-	-	-	-	-	-	-
Representative: Ding, Han-Yin	-	-							
Kenbun Capital Co., Ltd.	615,000	1.82%	-	-	-	-	-	-	-
Representative: Guo, Min-Sheng	-	-	-	-	-	-	-	-	-

Note: Data up to March 27, 2025 (the date of book closure).

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company: None.

December 31, 2025 (Unit: Shares; %)

Investee businesses (Note 1)	The Company's investment		Investments of directors, supervisors, managerial officers, and businesses directly or indirectly controlled		Comprehensive Investment	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	Note 2	100	-	-	Note 2	100

Note 1: These are long-term investments made by the company using the equity method.
Note 2: This is a limited liability company, and therefore there are no shares.

C. Fundraising Status

I. Capital and Shares

(I) Sources of share capital

1. Changes in the Company's share capital in the most recent year and up to the date of publication of the annual report.

Unit: Thousand shares; NT$ Thousand

Year and month	Issue price (NT$)	Approved share capital		Paid-in capital		Remark		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Capital paid in by assets other than cash	Others
2023.06	35	60,000	600,000	29,000	290,000	Cash capital increase of NT$35,000 thousand	-	Note 1
2024.10	15.5	60,000	600,000	322.5	3,225	Employee subscription options NT$4,999 thousand	-	Note 2
2025.01	39.6	60,000	600,000	33,023	330,225	Cash capital increase of NT$37,000 thousand	-	Note 3
2025.03	15.5	60,000	600,000	157.5	1,575	Employee subscription options NT$2,441 thousand	-	Note 4
2025.09	14.43	60,000	600,000	317.5	3,175	Employee subscription options NT$4,582 thousand	-	Note 5
2025.09	18.04	60,000	600,000	237	2,370	Employee subscription options NT$4,275 thousand	-	Note 5

Year and month	Issue price (NT$)	Approved share capital		Paid-in capital		Remark		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Capital paid in by assets other than cash	Others
2025.12	14.43	60,000	600,000	5.0	50	Employee subscription options NT$72 thousand	-	Note 6
2025.12	18.04	60,000	600,000	7.5	75	Employee subscription options NT$135 thousand	-	Note 6

Note 1: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11252659700 by Kaohsiung City Government on 2023.07.17
Note 2: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11354623000 Kaohsiung City Government on 2024.11.29
Note 3: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11450295320 by Kaohsiung City Government on 2025.02.05
Note 4: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11451948400 by Kaohsiung City Government on 2025.05.21
Note 5: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11454485500 by Kaohsiung City Government on 2025.11.24
Note 6: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11551021420 by Kaohsiung City Government on 2026.03.30

March 31, 2015; Unit: Shares

Types of shares	Approved share capital			Remark
	Outstanding shares	Unissued shares	Total	
Common shares	32,747,000	27,253,000	60,000,000	The Company's shares are TWSE/TPex listed shares

Note: Approval document No.: Letter Jing-Shang-Gong-Zi No. 11551021420 Kaohsiung City Government on 2026.03.30, canceling 1,000,000 treasury shares, and 12,500 new shares were converted from the employee subscription options.

(II) List of Major Shareholders

March 27, 2026

Shares / Names of major shareholders	Number of shares held (shares)	Shareholding ratio (%)
GSD Enviro Tech (Taiwan) Co., Ltd.	6,563,000	19.45
Chen Yu Investment Co., Ltd	2,729,000	8.09
Ching Yun Investment Co., Ltd	2,708,000	8.02
Lin, Tsai-Lin	1,026,069	3.04
Liu, Yuan-Hong	997,500	2.96
Chang, Yu-Chi	914,300	2.71
Liu-Chen, Mei-Ji	740,000	2.19
Yen, Mei-Yu	630,000	1.87
Mega Venture Capital Co., Ltd.	627,529	1.86
Kenbun Capital Co., Ltd.	615,000	1.82

Note: Data up to March 27, 2026 (the date of book closure).

(III) Company's dividend policy and implementation thereof

1. Dividend Policy

Pursuant to Article 26 of the Company’s Articles of Incorporation, 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.

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.

After the Company's shares are publicly offered, the dividend policy will be determined based on the Company's profitability, future funding needs, long-term operational development, and the protection of shareholders' rights. For the method of distributing dividends, 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.

2. The dividend distribution to be proposed at the shareholders' meeting:

The Company's 2025 profit distribution proposal was resolved by the board of directors on March 9, 2026, to distribute cash dividends to shareholders at NT$1.8 per share, totaling NT$58,945 thousand. If the number of outstanding shares is affected due to changes in the share capital resulted from cash capital increase, exercise of employee subscription 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.

3. Explanation of anticipated significant changes in dividend policy：None.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(V) Remunerations to employees, directors and supervisors

1. The percentage or range of remunerations to employees, directors, and supervisors as set out in the company's Articles of Incorporation.

Pursuant to Article 26 of the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall provide no more than 3% of the pre-tax profit of the year before deducting the remunerations to employees and directors and supervisors, and no less than 3% fo the same as remunerations to 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.

2. The basis for the estimation of the amount of remuneration of employees, directors and supervisors in the current period, and the accounting treatment if there is a

difference between the estimated amount and the actual bonus paid in shares or cash: None.

The estimated amounts of remunerations to the Company's employees, directors and supervisors are based on the amount of net profit before tax for the period before deducting the amount distributed as the employees' remuneration, and directors' and supervisors' remunerations, and is estimated based on the percentage distributed as the employees' and directors' and supervisors' remunerations stipulated in the Company's Articles of Incorporation, which is recognized as payroll expense. If the actual amount distributed resolved by the shareholders' meeting differs from the estimated amount, it shall be treated as a change in accounting estimate and recognized as a profit or loss in the year in which the distribution actually takes place.

3. The Board's approved distribution of remunerations:

On March 9, 2026, the Board of Directors of the Company resolved to distribute NT$3,897 thousand as the employees' remuneration and NT$3,500 thousand as the directors' remuneration for 2025, all of which will be paid in cash.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: None.

(VI) Status of a company repurchasing its own shares:

Repurchase no.	1st repurchase in 2025
Purpose of repurchase	Maintaining the Company's credit and shareholder equity
Repurchase period	2025/09/19~2025/11/18
Repurchase price range	NT$25 NT$54
Types and numbers of shares bought back	Common shares 1,000,000 shares
Amount of shares bought back	NT$34,476,483
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	100%
The number of repurchased shares that have been cancelled or transferred	0
Accumulated number of the Company's shares held by the Company	1,000,000 shares
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	3.01%

II. Issuance of Corporate Bond: None.

III. Issuance of preferential Shares: None**.**

IV. Issuance of global depository receipts: None.

V. Issuance of employee share subscription warrants

(I) Unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report, and the effect of such warrants upon shareholders' equity :

March 31, 2026

Type of employee share subscription warrants	1st issuance in 2022 Employee subscription warrants	1st issuance in 2023 Employee subscription warrants
Effective registration date and total number of units	Note 1	Note 1
Issue date	June 1, 2022	September 15, 2023
Duration	5 years	5 years
Number of units issued	1,100,000 units (Note 2)	900,000 units (Note 2)
Number of units still available for issuance	0 units	0 units
Ratio of the number of issued subscribable shares to the total number of issued shares	3.26%	2.67%
Duration	From the date of exercisable period expiry to the date of duration expiry	From the date of exercisable period expiry to the date of duration expiry
Exercise method	Delivery of newly issued common shares of the Company	Delivery of newly issued common shares of the Company
Vesting period and percentage	After two full years, the cumulative exercisable share option ratio is 50%. After three full years, the cumulative exercisable share option ratio is 50%.	After two full years, the cumulative exercisable share option ratio is 50%. After three full years, the cumulative exercisable share option ratio is 50%.
Number of shares subscribed through exercise of the warrants	802,500	244,500
Amount of the shares subscribed through exercise of the warrants	12,093,675	4,410,780
Number of unexercised shares	297,500 units (Note 2)	655,500 units (Note 2)

Type of employee share subscription warrants	1st issuance in 2022 Employee subscription warrants	1st issuance in 2023 Employee subscription warrants
Subscription price per share of the unexercised shares	NT$14.43	NT$18.04
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.88% (Note 3)	1.94%
The effect on shareholders' equity	The purpose of this issuance of employee subscription warrants is to attract and retain the talents needed by the Company, and to motivate employees and enhance their loyalty, so as to jointly create benefits for the Company and its shareholders. The subscription warrants have different grant periods and exercise ratios, and the percentage of unexercised options to the total number of issued shares is __, so it will not have a material impact on the dilution of equity during the subscription period.	The purpose of this issuance of employee subscription warrants is to attract and retain the talents needed by the Company, and to motivate employees and enhance their loyalty, so as to jointly create benefits for the Company and its shareholders. The subscription warrants have different grant periods and exercise ratios, and the percentage of unexercised options to the total number of issued shares is __, so it will not have a material impact on the dilution of equity during the subscription period.

Note 1: When issuing these employee share subscription warrants, the Company was a private company and the issuance was carried out in accordance with the relevant provisions of Article 167-2 of the Company Act and were issued upon the resolution of the Board of Directors. The date when the board of directors resolved for the 1st employee share subscription warrants for 2022 was April 29, 2022; and the date when the board of directors resolved for the 1st employee share subscription warrants for 2023 was August 30, 2023.

Note 2: Each unit of warrant can subscribe for one common share.

Note 3: On March 9, 206, the Company's Board of Directors approved the base date for the new share, and registered the change for NT$12.5 thousand; consequently, the calculation basis for the ratio of unexercised share subscriptions to the total issued shares has changed.

(II) Names of the ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report :

1. The 1st employee share subscription warrants for 2022

March 27, 2026 Unit: NT$; Shares

	Job title	Name	Acquired number of subscribable shares	The percentage of acquired subscribable shares to in the total issued shares	Exercised				Not exercised			
					Number of shares subscribed	Subscription price	Subscription amount	The percentage of subscribable shares to in the total issued shares	Number of shares subscribed	Subscription price	Subscription amount	The percentage of subscribable shares to in the total issued shares
Managerial Officer	Chief Strategy Officer (Note 1)	Liu, Yuan-Hong	250,000	0.74%	125,000 67,500	15.5 14.43	1,937,500 974,025	0.57%	52,500	14.43	757,575	0.16%
	General Manager	Chang, Yu-Chi										
	Chief Operating Officer	Guan, Chang-Sheng										
	Deputy General Manager	Yeh, Chih-Hsiung										
	Deputy General Manager	Wu, Chun-Yen										
	Finance Manager	Teng, Ya-Ning										
Empl	Chief Staff Officer	Yang, Yu	570,000	1.69%	225,000 175,000	15.5 14.43	3,487,500 2,525,250	1.19%	170,000	14.43	2,453,100	0.50%

	Associate Manager	Hsieh, Wen-Po										
	Project Associate Manager	Chuang, Shun										
	Project Associate Manager	Chen, Tsang-Hsin										
	Associate Manager	Chang, Wen-Hsin										
	Special Assistant	Lin, Tsai-Lin										
	Manager	Wu, Ruo-Sen										
	Manager	Huang, Chien-Chang										
	Manager	Tsai, Chia-Lin										
	Associate Manager	Tsai, Wen-Hsien										

2. The 1st employee share subscription warrants for 2023

March 27, 2026 Unit: NT$; Shares

	Job title	Name	Acquired number of subscribable shares	The percentage of acquired subscribable shares to in the total issued shares	Exercised				Not exercised			
					Number of shares subscribed	Subscription price	Subscription amount	The percentage of subscribable shares to in the total issued shares	Number of shares subscribed	Subscription price	Subscription amount	The percentage of subscribable shares to in the total issued shares
Managerial Officer	General Manager	Chang, Yu-Chi	175,000	0.52%	87,500	18.04	1,578,500	0.26%	87,500	18.04	1,578,500	0.26%
	Chief Operating Officer	Guan, Chang-Sheng										
	Deputy General Manager	Yeh, Chih-Hsiung										
	Deputy General Manager	Wu, Chun-Yen										
	Finance Manager	Teng, Ya-Ning										
Employee	project Manager	Lien, Po-Jen	245,000	0.73%	92,000	18.04	1,659,680	0.27%	153,000	18.04	2,760,120	0.45%
	Deputy Manager	Hsin, Shiu-Miao										
	Manager	Chang, Yao-Wen										

	Engineer	Hong, Shi-Yi										
	Project Deputy Manager	Chen, Po-Yen										
	Level 2 Engineer	Wu, Hsin-Yun										
	Manager	Chen, Ching-Yun										
	Section Director	Li, Ying-Ru										
	Section Director	Wang, Shu-Mei										

Note 1: Liu, Yuan-Hong resigned as Chief Strategy Officer on August 30, 2024, and 57,500 shares became invalid.

VI. Issuance of new restricted employee shares: None

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the company's capital allocation plans: None.

D. Overview of Business Operations

I. Description of the business

(I) Scope of business

1. Major lines of business

Founded in 1993, the Company has always adhered to the business philosophy of "using superior technologies to return a clean living space to human beings." We are committed to three major areas: soil and groundwater pollution investigation and remediation; design, development, sales and system output of environmental protection equipment; and circular economy turning waste into energy. We are determined to develop into a comprehensive environmental protection service brand.

The Company's current business scope mainly includes environmental engineering services for soil and groundwater pollution remediation, providing a "one-stop" service including environmental testing, contaminated site investigation, survey and assessment, remediation planning and design, remediation operation execution and control, and ultimately the removal from the control list; by selecting and manufacturing domestic waste into solid recovered fuel (SRF), the business turning waste into energy covers equipment design, construction and operation as the waste removal and treatment services; and other services such as pollution prevention equipment design and development, construction and system or complete plant output, and remediation-related agents. We provide the most trustworthy services to our clients based on their needs.

2. Business weight

Unit: NT$thousand

Businesses operated	2023		2024		2025	
	Amount	Weight (%)	Amount	Weight (%)	Amount	Weight (%)
Environmental Engineering	1,353,687	92.60	1,635,875	95.37	1,144,825	92.39
Waste Treatment	96,203	6.58	75,330	4.39	87,702	7.08
Others	11,938	0.82	4,061	0.24	6,619	0.53
Total	1,461,828	100.00	1,715,266	100.00	1,239,146	100.00

Note: Other income mainly includes equipment system output, soil surveys, environmental testing, technical consulting, and sales of biological restoration agents.

3. The Company's current product (service) portfolio

The Company currently provides environmental protection services primarily focusing on "soil and groundwater pollution," "design, development, system installation and sales of environmental protection equipment," and "waste treatment and reuse." Our clients include government agencies, state-owned enterprises, and private companies. We offer services in four main areas related to environmental issues: "planning and consulting," "engineering assessment, implementation and management," "waste treatment," and "environmental testing" to clients, to ensure the sustainable use of land and groundwater resources and to reduce and recycle waste. Specific service details are shown in the table below.

Services	Important uses and functions
Soil and groundwater pollution remediation and consulting	For sites with contaminated soil and groundwater, we assess suitable remediation methods and provide integrated remediation services from investigation and assessment, design and planning, construction control to completion of delisting, using professional technology and equipment to achieve the goal of ensuring the sustainable use of land and groundwater resources.
Circular economy	Through an improved **mechanical biological treatment system** , domestic waste is sorted and dehydrated, and heat-generating materials such as paper, plastics, and kitchen waste are converted into solid recovered fuel (SRF), reducing waste volume to less than 20%. The SRF produced will be supplied to existing boiler operators in Taiwan as an alternative to coal.
Design and construction of pollution control process system and environmental protection equipment	**Based on customers' needs, the following pollution control process systems and equipment were designed, developed, and constructed:** **Water scrubbing equipment system:** mainly used for treating soil contaminated with oil and heavy metals. In the water scrubbing system, a self-developed "composite CMS soil scrubbing system" has been added, which can effectively improve the soil scrubbing and recovery rate with a particle size greater than 0.04 mm and reduce the burden on subsequent processing procedures. The scrubbed soil can be directly backfilled and reused, while the wastewater generated during the scrubbing process can be treated by the downstream wastewater treatment equipment and then recycled. This soil washing system not only can effectively improve the recycling efficiency of large soil particles and increase the cleaning effect of small soil particles, but also achieve an overall pollutant removal rate of 80% to 97%. In addition to accelerating the progress of pollution

	remediation, this system is weatherproof, and thus meeting the goals of carbon reduction and significant reduction of treatment costs. **Thermal desorption equipment system:** mainly used to treat soil contaminated with organic matter and heavy metals such as mercury or toxic chemicals. **Multi-spiral tube thermal desorption furnace:** This is an indirect thermal desorption furnace developed by the company. It adopts a multi-spiral tube furnace tube design. Compared with the general direct combustion rotary kiln, the indirect thermal desorption furnace burns LPG or LNG in the furnace to heat the air. The hot air is then reheated and conducted to the furnace tube carrying the contaminated soil, which raises the temperature of the soil in the furnace tube and causes the pollutants to desorb. Since the heated air and the contaminated soil do not come into contact with each other, the hot air can be directly discharged. Only the pollutants in the soil are desorbed and then enter the downstream air pollution control equipment, which greatly reduces the cost of subsequent air pollution control. **Direct-combustion rotary kiln thermal desorption furnace:** It adopts a direct-combustion rotary kiln design, in which the air and pollutants in the soil after combustion enter the downstream pollution control equipment together, so the cost is relatively higher, but it is a relatively mature technology. **Full electric induction thermal desorption furnace:** This is the Company's latest design. The heating source has been changed to electromagnetic induction heating (no open flame). It is no longer limited to the traditional method of using LPG, LNG or heavy oil combustion. Instead, it uses electric heating to heat the spiral feed tube, which can be heated more evenly. There are already actual plant cases. It is more in line with the concept of environmental friendliness in terms of safety, space and air emission standards.

4. New products (services) planned for development

The products (services) currently planned for development include groundwater circulation well (GCW) remediation technology services and biological agents for soil restoration, which are briefly introduced below:

A. GCW remediation technical services

The Company plans to transfer **the GCW remediation** method from the German company IEG, with IEG responsible for planning and design, and Yushan responsible for implementation and supervision. In the short term, our business scope will mainly focus on the groundwater remediation market in Taiwan and mainland China.

GCW differs from current market methods such as single-well injection and semi-automatic chemical circulation systems (Groundwater Circulation Bioremediation System, GCB). Its prototype first appeared in 1963, and was later expanded by the German company IEG, which developed a special screening program to mitigate clogging. It can be combined with aeration, chemical, and biological methods and has wide applications in the remediation of groundwater contaminated with volatile organic compounds (VOCs) and semi-volatile organic compounds (SVOCs).

B. Biological agents for soil restoration

It is made of natural biomass materials, high-efficiency compound fertilizer, minerals and stable inorganic peroxides, mixed in a specific ratio. It can stably provide nitrogen, phosphorus, minerals and trace elements to soil microorganisms and release oxygen for a long time. This allows the soil to provide sufficient oxygen for microbial growth without needing to be turned over for a long time, thereby enabling them to degrade pollutants and achieve the purpose of soil restoration. The main agents being developed include aerobic bacteria agents, anaerobic bacteria agents, and coenzyme agents.

(II) Overview of the industry

1. Current status and development of the industry

A. Current Status and Development of the Global Environmental Protection Industry

(A) Current Status and Development of the Global Environmental Protection Industry

Amid the global trend toward net-zero carbon emissions, transnational and trans-supply chain entities must jointly embrace the challenges of green energy transition. At the World Economic Forum in 2021, for the circular economy issues, three systemic shifts that could trigger a more resilient and prosperous economy scale were proposed.

a. Circular Design

Systems that rely on circular design are improved through reuse, repair, refurbishment and recycling. Change the products we produce and the way we produce them, both in terms of input and at the end of their first lifespan, by adopting modular designs, designs made from renewable materials, designs that are easy to repair and disassemble, and designs for new products with backward compatibility, thereby enabling parts to have multiple applications and a longer lifespan.

b. Shift to a new business model

Businesses are shifting to a new "product as a service" business model, where customers pay for any value, results, or services generated, but the business owns any physical products. Subscription, leasing, and e-commerce models extend the lifespan of products and their components while maintaining and maximizing value. This provides a clear incentive for the Company to extend the lifespan of its products and materials.

c. Value-Preserving Resource Management System

The fundamental shift eliminated waste in the system through thoughtful upstream strategies. This focus must be complemented by a resource management system that can preserve value. This approach includes reverse logistics, separation technologies and organic byproducts to avoid contamination (and generate a “clean” flow), as well as refurbishment and remanufacturing. This also means using high-quality recycling facilities as a last resort.

(B) Market Size of the Global Environmental Protection Industry

According to a report by research agency Precedence Research, the global environmental technology market size was US$646.8 billion in 2025 and is projected to reach approximately US$957.77 billion by 2034, with a compound annual growth rate of 4.42% from 2025 to 2034.

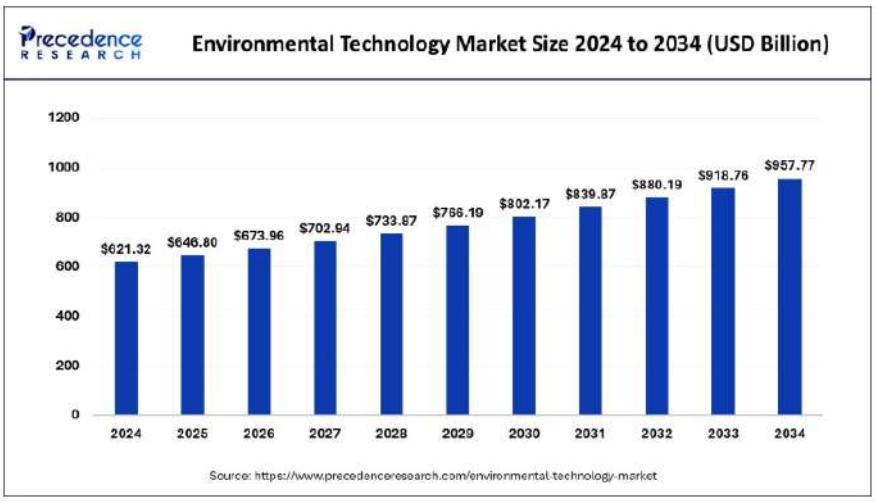


Figure 2-1 Market Size of Global Environmental Technology, 2024-2034

Furthermore, according to a survey by Horizon Databook, the global environmental remediation market revenue was US$115.2 billion in 2023 and is projected to reach US$186.062 billion by 2030. The global environmental remediation industry is projected to grow at a compound annual growth rate of 7.2% from 2024 to 2030

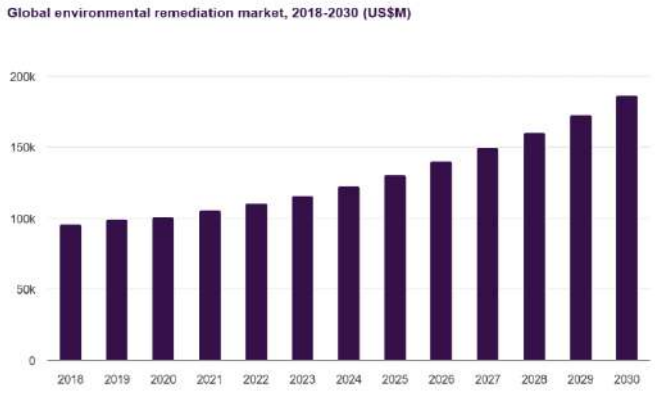


Figure 2-2 Market Size of Global Environmental Remediation Industry, 2018-2030

B. Current Status and Development of Environmental Protection in Taiwan

(A) Development Trends of the Domestic Environmental Protection Industry

In the early days, the scope of environmental protection industry in Taiwan was limited to the manufacturing of environmental protection equipment and materials for air, water, and waste, as well as environmental engineering and technical consulting services. Since 2000, driven by the international environmental protection trends of greenhouse gas reduction, circular economy, and sustainable development, the demand of the environmental protection market has been constantly changing, which has also expanded the scope of my country's environmental protection industry to the field of resource recycling. This process has prompted domestic environmental protection companies to gradually transform, not only improving their technical capabilities and the quality of their engineering services, but also creating an industrial transformation. The environmental protection industry is a cross-disciplinary and diversified professional and technical industry, and it requires an integrated mechanism to exert its effectiveness. In recent years, new international environmental issues have emerged, and domestic environmental awareness has risen. The environmental protection industry in Taiwan has also been committed to strengthening innovation and research and development, cultivating professional talents, improving technical capabilities, and building integrated models to keep up with the trend and promote the integration of the concept of Green and Sustainable Remediation (GSR) into technological development.

(B) Market Size of the Domestic Environmental Protection Industry

According to the "Environmental Protection Expenditure Survey" conducted on government and industrial departments by the Ministry of Environment since 2023, and referring to the United Nations standards and Taiwan's customs, environmental protection activities are divided into ten categories: air quality protection, greenhouse gas reduction, water quality protection, waste management, soil and groundwater remediation, noise and vibration control, biodiversity and landscape protection, radiation protection, environmental research and development, and others. In 2024, the scope of the investigation was expanded, with the number of government departments increasing from 11 ministries and commissions previously to include central and local government agencies. For the industrial sectors, in addition to the

existing manufacturing, electricity and gas supply, and water supply industries with factory registration certificates, the investigation also included mining and earth and stone quarrying, manufacturing without factory registration certificates, and construction engineering.

The 2023 survey results showed that government departments spent NT$127.16 billion on environmental protection activities, of which capital expenditures amounted to NT$34.69 billion, with water quality protection accounting for the largest share at 60.3%, followed by waste management at 21.7%; recurring expenditures amounted to NT$92.47 billion, with waste management accounting for the largest share at 51.8%, followed by air quality protection at 15.9%.

In terms of industrial sectors, environmental protection expenditures totaled NT$206.27 billion in 2023, of which capital expenditures amounted to NT$76.26 billion, with air quality protection accounting for the largest share at 47.0% and water quality protection accounting for the second largest share at 30.7%. Recurring expenditures totaled NT$130.01 billion, with waste management accounting for the largest share at 34.1%, followed by air quality protection at 25.1% and water quality protection at 24.5%.

In recent years, the Ministry of Environment has actively promoted various environmental protection policies. As seen from this environmental protection expenditure survey, in 2023, the government and industry sectors spent the most on three environmental protection items: air quality protection, water quality protection, and waste management. These three environmental protection activities are important issues affecting people's quality of life and environmental quality. The Ministry of Environment will continue to promote industry to strengthen environmental protection investment through inter-departmental cooperation and public-private partnerships, reduce the impact on the environment, and create a win-win situation for the economy and the environment.

The market size of the Company's main businesses, namely soil and groundwater remediation, and waste treatment and recycling, is explained below:

a. Soil and groundwater remediation

According to statistics released by the Ministry of Environment on the soil and groundwater contaminated sites listed for control and these site removed from the list between 2015 to

2024, there were 362 sites listed for control at the end of 2024, covering an area of 954.2 hectares. Of these, factories (sites) accounted for 82%. These domestic cases removed from the control list were mainly concentrated on farmland (covering 93%), and the contaminated sites that have not yet been remediated are mainly factories that are more difficult to remediate.

Over the past two decades, with the joint efforts of the government and private enterprises, we have accumulated considerable technology and experience, and established a complete and mature industrial chain for the remediation of soil and groundwater pollution, as shown in Figure 2-3. The highlighted block represents the role and function of the Company in the industrial chain.

Table 2-1. Number and area of polluted sites listed for control at the end of the period from 2015 to 2024 (including sites under control and remediation).

Units: Number of sites; Area (hectares)

Year	Total		Farmlands		Gas stations and storage tanks		Factories		Others	
	Number of sites	Area	Number of sites	Area	Number of sites	Area	Number of sites	Area	Number of sites	Area
2015	3,104	1,677.2	2,764	387.2	86	45.1	174	1,021.4	80	223.4
2016	3,255	1,630.3	2,897	383.5	78	26.3	196	1,027.9	84	192.7
2017	3,863	1,713.1	3,504	477.0	74	24.7	203	1,017.6	82	193.8
2018	3,207	1,662.2	2,847	379.5	65	30.1	216	1,047.5	79	205.0
2019	2,366	1,538.6	2,021	277.9	56	28.9	212	1,030.1	77	201.7
2020	1,341	1,404.6	984	148.0	49	42.3	214	1,013.9	94	200.4
2021	543	1,288.0	158	29.4	48	92.0	214	970.9	123	195.7
2022	465	1,211.7	91	17.9	43	37.1	225	963.1	106	193.7
2023	337	1,132.7	25	7.4	34	31.5	213	961.6	105	132.3
2024	362	954.2	21	5.3	29	30.6	205	783.8	107	134.5

Data source: 2025 Annual Report, Information and Services of Ministry of Environment, and compiled by this company.

Table 2-2. Number and area of polluted sites removed from the control list at the end of the period from 2015 to 2024 (including sites under control and remediation).

Units: Number of sites; Area (hectares)

Year	Total		Farmlands		Gas stations and storage tanks		Factories		Others	
	Number of sites	Area	Number of sites	Area	Number of sites	Area	Number of sites	Area	Number of sites	Area
2015	398	89.2	369	50.3	11	1.8	8	29.0	10	8.1
2016	281	124.9	247	33.4	16	26.2	14	24.9	4	40.4
2017	538	111.4	503	68.2	13	3.0	16	30.7	6	9.5
2018	886	132.3	844	2025.5	17	2.7	18	9.3	7	5.7
2019	882	150.7	838	105.5	12	1.8	26	38.6	6	4.7
2020	1,120	178.2	1,077	137.7	13	2.0	25	36.3	5	2.2
2021	899	188.0	874	129.2	6	1.6	14	49.0	5	8.1
2022	104	39.4	70	11.3	5	5.5	10	13.1	19	9.5
2023	119	60.6	78	12.1	10	7.6	26	38.3	5	2.6
2024	36	119.9	6	1.4	5	0.9	24	117.3	1	0.3
Total	5,263	1,194.6	4,906	663.6	108	53.1	181	386.5	68	91.1

Data source: 2025 Annual Report, Information and Services of Ministry of Environment, and compiled by this company.

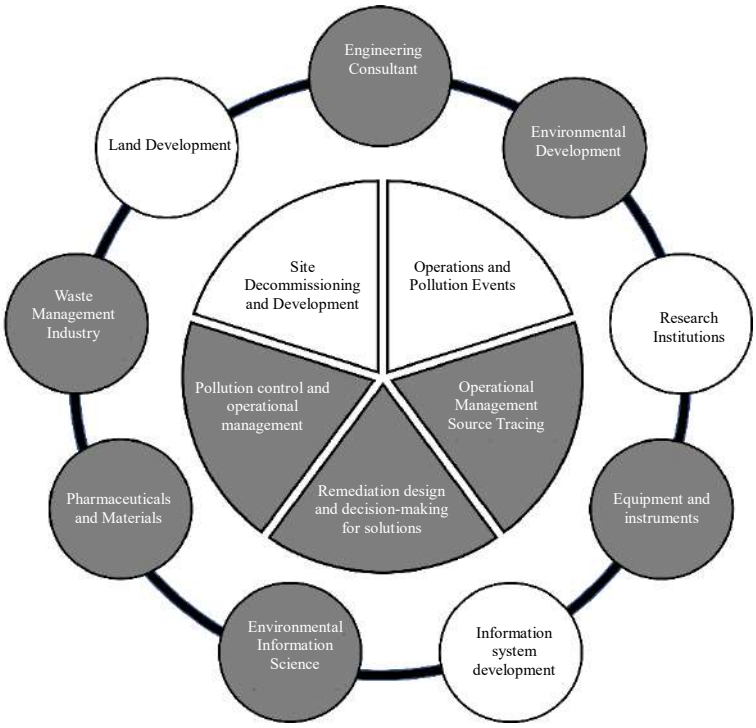


Figure 2-3 Lifecycle and Remediation Industry Chain of Soil and Groundwater Contaminated Sites in Taiwan, and the Company's Role and Function in the Industry Chain.
Source: Industrial Pollution Prevention and Control, Issue 155 (Sep. 2022)

b. Waste treatment and regeneration

Waste can be divided into "general waste" and "industrial waste". General waste is also known as domestic waste. According to the government's "waste disposal program," the main treatment

principle is incineration, with landfill as a supplement. Under the mindset of resource recycling, incineration plants will gradually transform into biomass energy centers. In order to accelerate the privatization of waste disposal, the government also encourages the private sector to establish waste disposal and treatment organizations. By the end of 2024, 5,420 disposal agencies and 358 treatment agencies had been approved for reference (including 160 agencies that were approved for establishment and 198 agencies that were granted treatment permits), as shown in Table 2-3. Driven by government policies, there are considerable business opportunities for companies of general waste disposal, resource recycling, reuse, and bioenergy companies.

Table 2-3. Statistics on Permits (Approved for Reference) of Public and Private Waste Disposal and Removal Agencies over the Years

Year	Cleaning agency				Processing agency					
	Total	Class A	Class B	Class C	Agreed for installation			Processing permit		
					Total	Class A	Class B	Total	Class A	Class B
2014	3,748	408	2,709	631	88	50	38	177	112	65
2015	3,885	408	2,811	666	91	52	39	181	112	69
2016	3,992	421	2,903	668	102	60	42	174	110	64
2017	4,074	434	2,959	681	104	61	43	186	115	71
2018	4,168	444	3,047	677	107	62	45	187	116	71
2019	4,294	449	3,156	689	122	68	54	188	116	72
2020	4,445	469	3,285	691	127	72	55	193	117	76
2021	4,691	497	3,428	766	134	76	58	192	116	76
2022	4,901	514	3,463	924	143	77	66	191	115	76
2023	5,175	537	3,564	1,074	148	80	68	193	113	80
2024	5,420	543	3,634	1,243	160	81	79	198	113	85

Data source: 2025 Annual Report, Information and Services of Ministry of Environment

According to the Environmental Protection Administration's 2024 Statistical Yearbook, general waste output has increased at an average annual growth rate of 6.27% from 2015 to 2024 in Taiwan. About 40% of the waste that cannot be recycled must be disposed of through incineration or landfill. In addition, the amount of waste temporarily stored at the end of the period has also been gradually increasing in recent years, as shown in Table 2-4. With the average operating period of the 24 waste incineration plants in Taiwan reaching 20 years, the equipment is getting old and deteriorating

year by year. According to the Environmental Protection Administration's plan, all incinerators in Taiwan have entered a period of rectification. When the equipment is rectified and the furnaces are shut down, the quantity of waste processed will inevitably decrease.

Table 2-4. Structural Ratio of General Waste Treatment Methods (Unit: Thousand Tons)

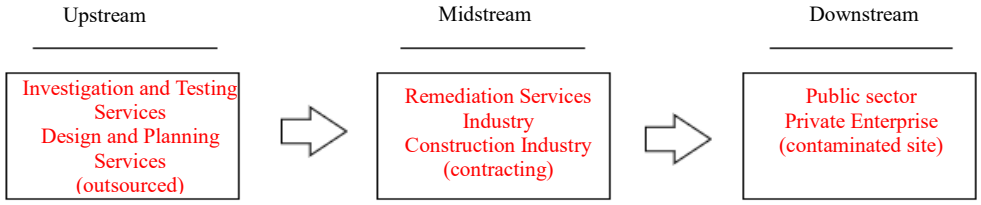
Year	General waste Output	General waste Processing volume	Structure ratio of processing method				General waste temporarily stored at the end of the period
			Recycling and reuse	Incineration	Sanitary landfill	Others	
2015	7,229	7,229	55.23%	43.48%	1.27%	0.02%	0
2016	7,461	7,461	58.00%	40.12%	1.04%	0.83%	0
2017	7,871	7,871	60.22%	37.73%	0.89%	1.15%	86
2018	9,741	9,614	56.41%	42.68%	0.91%	0.00%	212
2019	9,812	9,650	57.22%	41.89%	0.90%	0.00%	375
2020	9,870	9,704	59.85%	39.05%	1.10%	0.00%	541
2021	10,049	9,898	62.12%	35.38%	2.50%	0.00%	692
2022	11,239	11,174	57.63%	39.65%	1.79%	0.93%	756
2023	11,580	11,495	58.74%	38.45%	1.41%	1.40%	840
2024	11,764	11,854	59.15%	36.19%	2.52%	2.13%	750

Data source: 2025 Annual Report, Information and Services of Ministry of Environment, and compiled by this company.

2. The links among upstream, midstream, and downstream in the industry

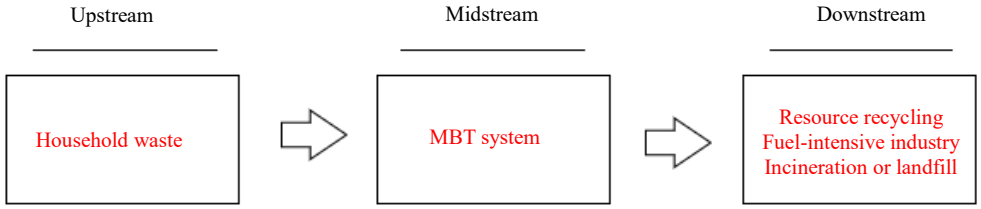
A. Soil and groundwater pollution remediation services

The Company undertakes soil pollution remediation projects commissioned by clients. After winning the tender, we first conduct survey and tests to confirm the scope and type of pollution. Based on the type of pollutants, hydrogeological conditions, and site limitations, we plan appropriate construction methods and use specialized equipment and agents to remove pollutants from the soil through physical or chemical reactions to below the control standards. After remediation, the soil is ready for reuse. The links among upstream, midstream, and downstream within the industry are as follows:



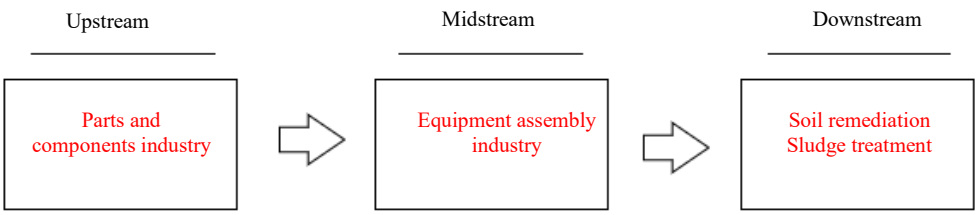
B. Waste cleaning and disposal services

The Company mainly processes general waste through a mechanical sorting system, where resources are recycled and reused, combustible materials are made into SRF, metallic components are reused through the recycling system, and the remaining waste is incinerated or treated by other means. The links among upstream, midstream, and downstream within the industry are as follows:



C. Pollution Control Equipment Business

The pollution control equipment developed by the Company mainly consists of heat treatment and water scrubbing equipment for soil remediation or sludge treatment. We develop and design proprietary equipment structures, then procure components, assemble the equipment, design human-machine interfaces, and finally sell them to soil remediation or sludge treatment companies. The links among upstream, midstream, and downstream within the industry are as follows:



3. Various development trends of products (businesses)

A. Soil and groundwater pollution remediation services

The development of soil and water remediation technology has now moved towards a comprehensive and systematic integrated framework. Since it is not easy to remediate any contaminated site with a single technology, different remediation technologies must be combined and connected in different contaminated areas, at different stages and at different time points in order to achieve the remediation goal in the most economical and efficient way. This is the concept of remediation train and whole-site remediation design throughout the entire life cycle, as shown in Figure 2-4. In recent years, the government has actively promoted the concept of Green and Sustainable Remediation (GSR) for contaminated sites to be incorporated into technological development. As a result, the mindset for soil and groundwater pollution remediation has shifted from simple post-event engineering and technical considerations to early warning risk assessments based on reducing consumption and protecting human health. In the future development of remediation technologies, priority shall be given to remediation systems based on on-site, passive, and biological treatment, that is, remediation concepts that minimize engineering excavation or transportation for off-site treatment. With premise where the environmental receptor are still are protected from risks, increasing polluters' willingness to improve the environment has become another important direction for the future development of soil and groundwater contaminated sites.

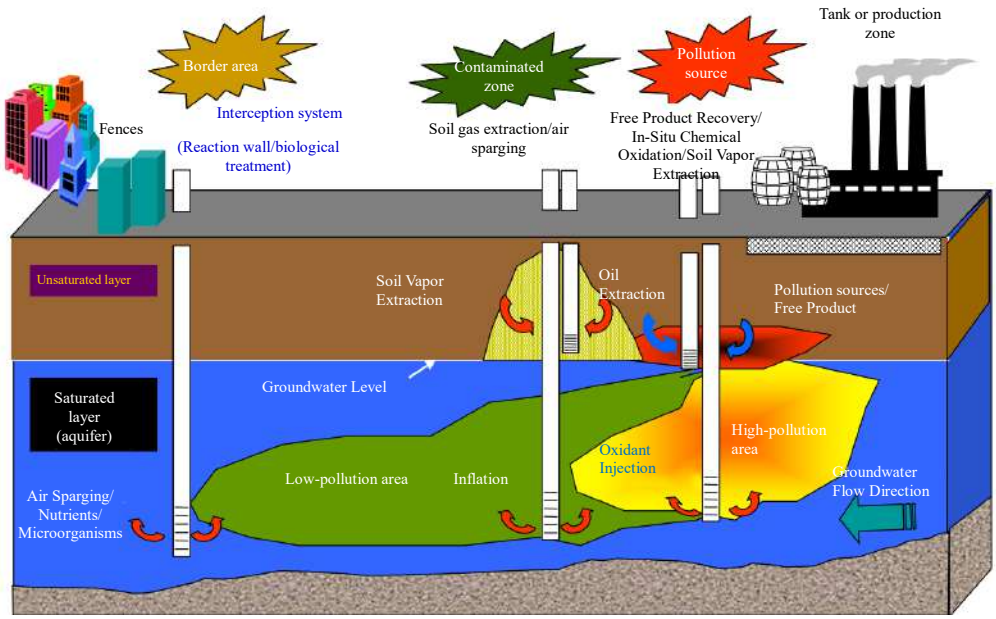


Figure 2-4. Schematic diagram of the whole site remediation strategic concept
Source: Environmental Information Monthly, Issue 170

B. Waste cleaning and disposal services

Currently, the world generates approximately 2.01 billion tons of urban solid waste annually, of which more than one-third is not disposed of in an environmentally safe manner; it is projected that by the end of 2050, the global annual waste volume will grow to 3.4 billion tons, of which less than 20% of the waste will actually be recycled or reused. To address this issue, environmental regulations and management systems in various countries have evolved from a one-dimensional, end-of-life approach to a comprehensive focus on extending the product lifecycle, including raw material use, manufacturing processes, product disposal and recycling, and incorporating technological elements to revitalize waste into recycled raw materials, energy and resources.

Applying technology to solve environmental problems is now the mainstream trend, and waste-to-energy is the most suitable cutting-edge technology for Taiwan's current situation. It can not only reduce waste and protect the environment, but also generate green energy and even generate electricity. The Environmental Protection Administration promotes the policy of recycling waste into fuel, which solves the treatment of high-calorific-value waste and reduces the mining of fossil raw materials and fuels. Taking power generation as an example, the power generation efficiency of waste in incinerators is only about 20%. If waste is manufactured into SRF and burned in a dedicated furnace to generate electricity, its power generation efficiency

can be higher than 30%, which is more energy-efficient and economically beneficial. Therefore, actively building the SRF industry chain, including the source of production, manufacturing, application facilities (boilers/power plants) and deriving ash and slag recycling institutions, unlimited business opportunities may be created.

C. Pollution control equipment business (mainly water scrubbing and thermal desorption equipment)

Under the current Soil and Groundwater Pollution Remediation Act framework, polluters or local authorities tend to adopt methods that can quickly treat soil and groundwater pollution in order to be removed from the control list in the short term. However, these engineering methods may consume a lot of energy and resources, and may also cause secondary pollution. As a result, not only the environment is damaged again, but society also pays a relatively higher price. Therefore, green remediation technologies that reduce environmental impact while also taking economic and social benefits into account, and achieving sustainable use of land and groundwater, in line with the concepts of biological remediation, passive systems, on-site treatment, and energy saving and carbon reduction, are environmentally friendly and do not cause secondary pollution problems, to become the future development trend of the industry. By combining various remediation train concepts, such as thermal desorption + water scrubbing + biological restoration + turnover dilution, pollution improvement solutions can be optimized to achieve the ultimate goal of green and sustainable remediation.

4. Competition status

A. Soil and groundwater pollution remediation services

The soil and groundwater environmental protection service business covers multiple areas, from pollution investigation to subsequent improvement and remediation, including on-site sampling, laboratory testing, planning and design, equipment supply, on-site construction, technician certification and soil treatment plants. In Taiwan, there are several companies competing in each of these areas, making it a highly competitive industry. However, the Company's core strength lies in its mastery of upstream and downstream integration and superior technology, enabling us to customize products and services to differentiate ourselves from competitors. We are one of the few leading manufacturers in the country with vertical system development and integration capabilities. A brief explanation is as follows:

(A) Survey and evaluation techniques

The Company has the qualification of certified sampling laboratory with advanced instruments and equipment for site contamination detection, including Thin Film Interface Probing (MIP) and the only laser-induced fluorescence (LIF) detector in Taiwan. We also have outstanding environmental engineering and instrumentation personnel who can accurately analyze and compare data through big data statistics to quickly detect and analyze the distribution of spatial contamination, enabling more precise treatment of contaminated soil during subsequent remediation.

(B) Biological agents

The Company has independently developed economically valuable biological agents (SRS) that use natural substances to naturally degrade pollutants. They are more cost-effective than imported ones, able to effectively accelerate the degradation of chlorine-containing pollutants, have significant and long-lasting effects, are made of natural ingredients with no risk of secondary pollution, and provide nutrients to promote the growth of microorganisms, thereby reducing the concentration of pollutants and narrowing the scope of pollution. Furthermore, when combined with the automatic injection and in-situ heating equipment developed by the Company, the overall efficiency and effectiveness of on-site remediation can be improved.

(C) In-situ rapid screening reagent

This is a self-developed reagent, a biodegradable agent that can promptly screen for pollution concentrations, shorten testing time, and can be performed on-site. It can detect pollution in 15 minutes, which is more efficient than the usual three-week testing period. The detection accuracy is over 90% and it is also more cost-effective.

B. Waste cleaning and disposal services

This business has a wide range of scope and types, and each participating manufacturer has its own strengths, such as solidification and cleaning of hazardous industrial waste and incinerator fly ash, operation and maintenance of incinerators or incineration power plants, and revitalization projects for waste landfills. Differentiated from the competitors, the Company focuses on domestic waste with complex composition. Through mechanical and biological drying processes, we produce SRF from the recyclable resources in domestic

waste and provide boilers and cogeneration plants as alternative fuels to partially replace coal. Compared to incineration, MBT does not require the treatment of air pollution ash and bottom ash from incineration. Since 80% of the waste is soil, it can be directly used as landfill cover.

C. Pollution control equipment business (mainly water scrubbing and thermal desorption equipment)

There are few domestic competitors in this business, as it requires the ability to design, modify, and operate equipment to adapt to different types of pollution, resulting in a high barrier to entry. The Company has accumulated many years of operational experience and developed in-house research and development capabilities. The soil water scrubbing equipment and thermal desorption equipment we have developed have technologies that differ from those of our competitors. A brief introduction is as follows:

(A) Soil water scrubbing equipment

Using a unique quasi-ultrasonic technology, it can simultaneously clean soil particles with a diameter of 0.04~0.074mm and oily sand while significantly reducing energy consumption; in addition, it can also treat sludge, incinerator bottom ash and fly ash. The pollutant removal rate reaches 80%~97%, which is better than the industry average of 60%. The cleansed soil can be directly backfilled and reused, while the water used for cleaning is recycled, which can significantly reduce water costs.

(B) Thermal desorption equipment

It is able to treat industrial sludge waste difficult to be treated, and its applications include organically contaminated soil and mercury sludge. Yushan has different designs depending on the pollutants or the needs of the operation mode. In addition to the traditional rotary kiln, it has developed a multi-spiral indirect thermal desorption design, which can significantly reduce the volume of exhaust gas, thereby reducing fuel costs and the cost of subsequent air pollution control equipment. For the high-temperature treatment required for long-term accumulated pollutants in the pyrolysis section, direct combustion thermal desorption has been developed. In response to the special restrictions of some plant sites where combustion is not possible at night, electric furnaces have also been developed for treatment.

(III) Overview of Technology and R&D

1. Technological level and research and development of the business operated

A. Soil and groundwater pollution remediation services

Domestic soil and groundwater pollution prevention and control technologies have reached a high level of maturity, including investigation and remediation technologies. In terms of survey technology, the Company possesses a "Certification Sampling Laboratory," "Bio Rapid Screening Laboratory," "MIP On-Site Survey Technology," "UVOST Laser Oil Pollution Survey Technology," and "Field Penetration Geological and Hydrological Survey Technology." In terms of remediation technology, the Company possesses "Soil Heavy Metal Pollution Restoration Technology," "Soil Organic Pollution Restoration Technology," and "Soil Organic Pollution Remediation Technology," which are at the forefront of the industry in terms of technology.

B. Waste cleaning and disposal services

In addition to recycling and reusing useful resources, the MBT system developed bythe Company has a core technology – the "Bio Dehydration System." This system uses fresh air provided by the aerobic digestion tunnel to supply aerobic microorganisms to decompose waste. The heat released during the process is used to remove the moisture content of SRF. The process air discharged during the aerobic digestion process is then processed by the back-end air handling system. Finally, the odor is removed by a wet scrubbing tower to achieve the purpose of optimization. The MBT technology developed bythe Company is compared with existing foreign technologies, as shown in Table 2-5.

Table 2-5 Comparison between MBT technologies of the Company and existing foreign companies

Comparison items	The Company's MBT equipment	Spanish MBT equipment	Portuguese MBT equipment
Sorting technology	Mechanical Classification	Mechanical Classification	Mechanical Classification
Biological dehydration system	Drum biological dehydration	Tunnel-type biological dehydration	Rotary kiln biological dehydration
Severity of environmental pollution	Low	Low	Low
Operating techniques	Difficult	Easy	Difficult
Land demand	Small	Large	Medium

Operation time	Short (12 hours)	Long (approximately 14 days)	Medium (36 hours)
Operating costs	Medium	Low	High
Recovered fuel production ratio	High	Low	High
Initial installation costs	Medium	Medium	High

Source: Compiled by the Company

C. Pollution control equipment business (mainly water scrubbing and thermal desorption equipment)

In the area of water scrubbing equipment, the Company owns two invention patents: "Method for cleansing contaminated soil" and "Method for treating soil particles containing heavy metals by motorized separation," as well as a utility model patent for "Equipment for cleansing contaminated soil," which can effectively remove heavy metal pollution from soil. In the area of thermal desorption equipment, the Company owns three utility model patents: "Gas-combustion power generation system for biomass materials," "Gas generation system for biomass materials," and "Thermal desorption treatment equipment for ex-situ remediation,",which can effectively remove oily organic compounds and mercury metal pollution from soil. In addition, the equipment adopts a modular design, which can be designed according to the customer's required capacity, and the technology has already achieved considerable sales results through complete plant output.

2. Research and development personnel and their academic and professional backgrounds

The Company's dedicated R&D unit invests in the development of technologies for on-site survey and remediation of contaminated sites, the introduction and integration of construction methods, reagents, and equipment, and obtains relevant permits and certifications for laboratory testing items. The R&D personnel are all professionals in related fields with many years of practical experience. The information on the R&D personnel and their academic and professional background is shown in the table below.

Educational background distribution / Time	PhDs and masters		Universities and colleges		Senior high school (inclusive) and below		Total	
	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
Number of people in 2021	2	40.00%	1	20.00%	2	40.00%	5	100.00%
Number of people in 2022	3	50.00%	2	33.33%	1	16.67%	6	100.00%
Number of people in 2023	14	53.85%	10	38.46%	2	7.69%	26	100.00%
Number of people in 2024	20	71.43%	7	25%	1	3.57%	28	100.00%
Number of people in 2025	14	66.67%	6	28.57%	1	4.76%	21	100.00%

3. Research and development expenses invested each year in the most recent five years

Unit: NT$thousand

Item	2021	2022	2023	2024	2025
Research and development expenses	7,756	14,596	19,999	26,219	27,900
Operating revenue	899,212	983,320	1,461,828	1,715,266	1,239,146
R&D expenses as a percentage of operating revenue (%)	0.86%	1.48%	1.37%	1.53%	2.25%

Sources: annual financial reports audited and attested by CPAs

4. Technologies or products successfully developed in the most recent five years

A. Technology patents

To broaden the technological differentiation from competitors, maintain a leading competitive advantage in technology, and safeguard the R&D results produced, the Company has been actively pursuing patents in recent years in the fields of bioremediation, water scrubbing technology, thermal desorption technology, and circular economy. The domestic and foreign patents we have obtained are summarized in the table below.

Year	Patent Name	Pollution application types	Technology application	Certificate Number	Region	Format
2020	Mechanical biological processing system	Green energy	Circular economy	M596668	Taiwan	New
2020	Waste-to-fuel system	Green energy	Circular economy	ZL201920215707.2	Mainland China	New
2020	Composite particles and methods for treating heavy metal pollutants	Heavy metal pollution	Heavy metal remediation methods	ZL201610058131.4	Mainland China	Invention
2020	Mechanical biological processing system	Green energy	Circular economy	ZL202020005107.6	Mainland China	New
2020	Mechanical biological processing system	Green energy	Circular economy	ZL202020005110.8	Mainland China	New
2020	Methods for cleansing contaminated soil	Oil and heavy metal pollution	Water scrubbing technology (leaching)	ZL201710744526.4	Mainland China	Invention
2021	Cleansing methods for well washing equipment and well screen pipes	Well facilities at contaminated sites	Cleansing equipment for monitoring wells and remediation wells	I738227	Taiwan	Invention
2021	Treatment methods for separating oil-contaminated soil using physical properties as resources	TPH contaminated soil	Water scrubbing technology (leaching)	I749436	Taiwan	Invention
2022	Thermal desorption furnace system with intelligent monitoring and automatic control	Oil and heavy metal pollution	Off-ground thermal desorption system	M629897	Taiwan	New
2023	Multi-point environmental sensing device	Chlorine containing and TPH pollution	On-site thermal desorption system	I806634	Taiwan	Invention
2023	Electric heating material treatment equipment, series electric heating material treatment equipment, and parallel electric heating material treatment equipment	Volatile heavy metals, VOCs/SVOCs, and TPH pollution	Off-ground thermal desorption system	M640834	Taiwan	New
2023	In-situ chlorine-containing organic compounds staining	Investigation techniques for heavy metals and TPH	Investigation techniques	I824544	Taiwan	Invention

Year	Patent Name	Pollution application types	Technology application	Certificate Number	Region	Format
	fluorescence survey techniques					
2024	Soil water scrubbing and decontamination equipment and soil water scrubbing and decontamination methods	Water scrubbing of heavy metals and TPH	Water scrubbing technology (leaching)	I841079	Taiwan	Invention
2024	Microwave-based material dehydration equipment system and parallel material dehydration equipment system	Volatile heavy metals, VOCs/SVOCs, and TPH pollution	Off-ground thermal desorption system	I845011	Taiwan	Invention
2024	Patent for dye-assisted fluorescence imaging technology for surveying chlorobenzene in the field environment	Investigation techniques for heavy metals and TPH	Investigation techniques	I860738	Taiwan	Invention
2025	Oil pollution treatment agent containing secondary fermented biomass material, its manufacturing method and its application in treating oil-contaminated soil	Oil pollution	Biological treatment	I872352	Taiwan	Invention
2025	In-situ heating soil system	In-situ technology for contaminated sites	On-site thermal desorption system	M668193	Taiwan	Invention
2025	Waste dehydration equipment and waste dehydration methods	Circular economy	Waste dehydration	I895197	Taiwan	Invention
2025	Wastewater treatment methods	Wastewater treatment	Organic wastewater with high concentration	I900891	Taiwan	Invention
2025	Electrothermal structures, their manufacturing methods, and their applications	TPH and chlorine contaminated sites	On-site thermal desorption system	I901474	Taiwan	Invention
2025	In-situ microbubble circulation system	TPH and chlorine contaminated sites	In-situ biological treatment	I906074	Taiwan	Invention

B. Products researched and developed

The products developed bythe Company in recent years are as follows:

(A) Soil water scrubbing equipment

(B) Soil thermal desorption equipment

(C) Mechanical biological treatment (MBT) equipment for waste

(D) Biological agents: SRS agents, aerobic bacteria agents, anaerobic bacteria agents, and coenzyme agents

(E) In-situ rapid screening reagent

(IV) Long-term and short-term business development plans

Founded in 1993, the Company initially operated as a "traditional environmental engineering and technical consultant," primarily providing "environmental consulting services" such as wastewater treatment, environmental impact assessments, projects for environmental protection bureaus in various counties and cities, and applications for various environmental permits. In 2000, with the passage of the Soil and Groundwater Pollution Remediation Act in the Legislative Yuan, the Company officially entered the soil and groundwater pollution remediation business. Combining this with waste treatment and recycling technologies, we transformed into a "comprehensive environmental protection professional team" with "soil and water integrated circular economy" as our main business. In 2021, with the investment of global professional environmental equipment supplier GSD Technologies Co., Ltd., in addition to continuously refining our existing soil and groundwater remediation and circular economy businesses, we further extended our market reach to the Chinese soil and water market in conjunction with the passage of the Law of the People's Republic of China on Prevention and Control of Soil Pollution. Leveraging GSD's technological advantages in environmental equipment, we developed new equipment for soil and waste treatment and planned the construction of related treatment plants, thus upgrading the Company into an "integrated environmental technology business partner" with "expanding the scope of the circular economy and expanding into overseas markets" as our main business. The future long-term and short-term business development plans are integrated as follows:

1. Short-term development plan

A. In addition to continuing to deepen its existing soil and groundwater testing and remediation business in Taiwan, we will apply the existing soil thermal desorption technology to domestic industrial sludge treatment technology.

B. Based on the existing Yunlin MBT system, we expand the MBT system setup and operation business to other counties and cities, promote investment opportunities for public-private partnership projects, and assist coal-combustion boiler customers in resolving their concerns about using SRF technology;

C. We actively introduce GCW technology from German IEG to expand the domestic groundwater pollution remediation market.

D. We actively seek strategic partners to build professional thermal desorption processing plants through strategic alliances and expand the OEM business;

E. We actively develop the market for the biopharmaceuticals and in-situ rapid screening reagents developed.

2. Long-term development plan

A. By obtaining the "Certificate of Effectiveness of Soil and Groundwater Pollution Remediation Technology" from the Environmental Protection Administration, we extend the reach of soil and groundwater testing and remediation technologies to new blue ocean markets such as mainland China and Southeast Asia.

B. We actively seek business partners in mainland China and Southeast Asia to build professional environmental technology treatment plants in the local area by providing soil water scrubbing equipment, thermal desorption equipment and MBT treatment system in a whole-plant output model, and expand the remediation and OEM business by combining the biological agents and on-site rapid screening reagents developed by the Company.

C. We extend the presence of GCW technology of IEG in mainland China and Southeast Asia, and seek local business partners to take charge of order taking and implementation. IEG will be responsible for design and planning, while the Company is responsible for supervision and technical guidance, in order to expand overseas groundwater remediation business.

D. We collaborate with those who own suitable land for factory construction and waste disposal companies to jointly invest in MBT factories and seize investment opportunities.

II. Market and Production/Sales Overview

(I) Market analysis

1. Geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT$ thousand

Year	2023		2024		2025	
Regions of sales	Amount	Weight	Amount	Weight	Amount	Weight
Domestic sales	1,461,828	100%	1,713,167	99.88%	1,239,146	100%
Export	-	-	2,099	0.12%	-	-
Total	1,461,828	100%	1,715,266	100%	1,239,146	100%

The Company's business model mainly involves participating in engineering tenders, and our business scope covers all regions of Taiwan, including not only the main island of Taiwan but also the outlying islands.

2. Market share

Regarding market share in the environmental engineering business, according to the 2025 Environmental Expenditure Survey Report released by the Ministry of Environment, approximately NT$7.494 billion of environmental expenditure in 2024 in Taiwan was used for soil and groundwater pollution control. The Company's main environmental engineering business is soil and groundwater pollution control. Based on the Company's environmental engineering revenue, which is approximately NT$1.462 billion in 2024, the market share is approximately 22.89%.

In terms of waste treatment business, our client is the Environmental Protection Bureau of Yunlin County Government. According to statistics from the Ministry of Environment, the total volume of general waste treated in Yunlin County in 2024 was 306,680 metric tons. Based on this, the Company's market share in Yunlin County for waste treatment business in 2024 was approximately 10.86%.

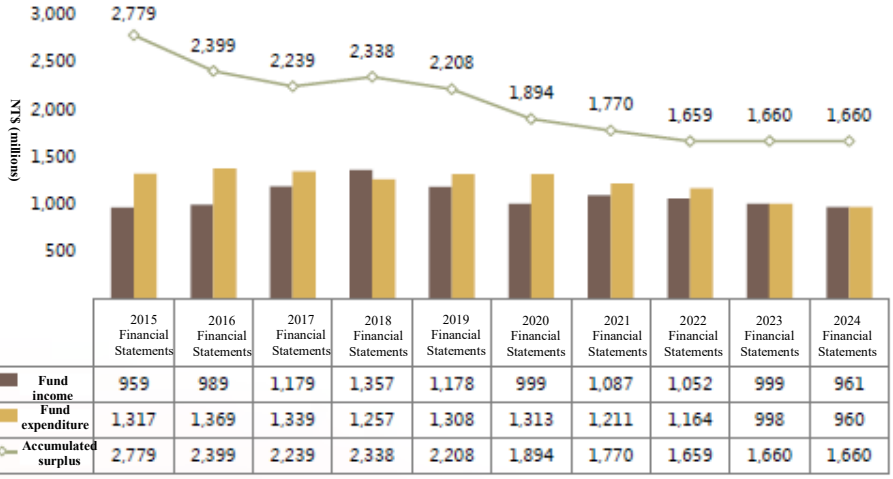
3. Future market supply and demand and growth potential

A. Soil and groundwater pollution remediation services

Referring to the relevant system of the Superfund in the U.S., the government established the Soil Pollution Fund in 2000. In accordance with Article 28 of the Soil and Groundwater Pollution Remediation Act, the government levies soil and groundwater pollution remediation fees on manufacturers and importers of designated substances based on their production and import volumes. This Soil Pollution Fund is dedicated to soil and groundwater pollution survey, remediation, and other related works. In

2024, the accumulated balance of the Soil Pollution Fund was nearly NT$1.66 billion, as shown in Figure 2-5.

As the Soil and Groundwater Pollution Remediation Fund continues to survey pollution conditions across Taiwan, the soil and groundwater remediation market in Taiwan is expected to remain relatively stable. The mainland China and Southeast Asia regions have seen increasing attention from local governments to soil and groundwater pollution issues in recent years. For example, the mainland China issued the Measures for the Administration of the Soil Pollution Prevention and Control Fund in 2020, making the future market prospects promising.



	2015 Financial Statements	2016 Financial Statements	2017 Financial Statements	2018 Financial Statements	2019 Financial Statements	2020 Financial Statements	2021 Financial Statements	2022 Financial Statements	2023 Financial Statements	2024 Financial Statements
Fund income	959	989	1,179	1,357	1,178	999	1,087	1,052	999	961
Fund expenditure	1,317	1,369	1,339	1,257	1,308	1,313	1,211	1,164	998	960
Accumulated surplus	2,779	2,399	2,239	2,338	2,208	1,894	1,770	1,659	1,660	1,660

Note: Discrepancies between the sum of the individual figures and the total in the final accounts are due to rounding.

Figure 2-5. Revenue and Expenditure of Soil Pollution Control Fund (Source: 2024 Annual Report on Soil and Groundwater Remediation)

B. Waste cleaning and disposal services

The amount of garbage generated by Taiwanese is increasing year by year. According to the Ministry of Environment's Information and Services Annual Report for 2024, following the break through of the total amount of general waste in Taiwan officially exceeding 10 million tons in 2021, it reached 11,763,891 tons in 2024, setting a new record since the statistics began. There are 28 incinerators in Taiwan, but a half of them have been in use for more than 20 years. Even if they are shut down for renovation, it can only delay their retirement. In recent years, they cannot handle general waste and can only be temporarily stored. In 2024, the amount of waste stored reached 750,162 metric tons. Therefore, without a long-term plan to solve the "waste disposal problem", a garbage crisis will happen sooner or later.

Given the current predicament of outdated incinerator equipment and full capacity utilization in Taiwan, coupled with a growing awareness of environmental protection, the MBT system, which converts waste into energy, can effectively solve this problem. The Company has been commissioned by the Yunlin and Pingtung County governments to build MBT/MT systems, achieving outstanding results. In 2025, we also secured a project for the Taichung City Solid Recycled Fuel Installation Project. We believe that other county and city governments will gradually follow suit and adopt MBT systems to replace current incineration or landfill methods.

C. Pollution control equipment business (mainly water scrubbing and thermal desorption equipment)

The thermal desorption equipment developed bythe Company is not limited to the treatment of soil pollution, but can also be applied to industrial sludge of other organic and metallic materials. Although the soil and groundwater remediation market will stabilize after the decommissioning of CPC Kaohsiung Refinery, industrial sludge will continue to be produced in line with the linear economic model. According to the Environmental Protection Administration's 2023 Waste Declaration Statistics Report, the general sludge output in 2023 was 2.55 million tons, of which, organic sludge, non-hazardous oily sludge, sugar filter mud, food processing sludge, pulp and paper sludge, textile sludge and agricultural sludge totaled 1.034 million tons, accounting for 40.6% of the total output. In addition to incineration and landfill, this sludge can also be treated by thermal desorption. The treated sludge can be used as backfill material in engineering and construction. In addition, the mainland China and Southeast Asia regions remain new blue ocean markets for soil remediation. Given Yushan's experience and achievements in soil and water remediation technology in recent years, it can be specifically applied to pollution remediation. If you want to quickly solve soil pollution problems, water scrubbing combined with thermal desorption process will be the best way. Therefore, the market in emerging Asia-Pacific regions is still worth looking forward to.

4. Competitive edges, positive and negative factors for future development, and the company's response to such factors

A. Positive Factors

(A) The new environmental trend of global net-zero carbon emissions in 2050

In response to the global trend of reducing fuel consumption and carbon emissions, the development of the renewable fuel market will be promoted, which will help the expansion of the Company's MBT business.

(B) The rise of emerging markets in the Asia-Pacific region, including mainland China and Southeast Asia

In response to the accelerated soil and groundwater remediation efforts by governments in mainland China and Southeast Asia, the Company established an overseas business division in 2019 to expand into these markets and seek strategic partners. This, combined with the transfer of remediation technologies and the sale of biological agents, will facilitate the integration of water scrubbing and thermal desorption equipment systems and the planning of complete plant output.

(C) Possessing research and innovation capabilities

The Company possesses the research and innovation capabilities in biological agents and remediation technologies, as well as the system integration capabilities in equipment design and development. In addition, through cooperation with domestic academic and research institutions and the introduction of technologies from advanced environmental protection technology manufacturers in western countries, it can make timely adjustments and responses in response to policy implementation and industry changes.

B. Negative Factors

(A) Domestic soil remediation operations have achieved remarkable results, with limited future market growth

Since the implementation of the Soil and Groundwater Pollution Remediation Act, after more than 20 years of persistent efforts in conducting soil and groundwater surveys and assessments, as well as continuously promoting the control and remediation of contaminated sites, soil and groundwater pollution prevention, management, and

remediation system in Taiwan has gradually become complete, which has limited future operational growth momentum.

Countermeasures:

a. The thermal desorption technology, originally used for soil pollution remediation, is being shifted to the treatment of industrial and agricultural sludge containing organic and volatile metals. In cooperation with strategic partners, thermal desorption treatment plants are being built to explore new markets for application treatment.
b. We actively expand soil and groundwater pollution remediation business in mainland China and Southeast Asia;
c. Targeting the challenging on-site remediation needs of operating factories in China, we actively introduce IEG CGW technology and use it to expand into the groundwater pollution remediation market in mainland China and Southeast Asia.

(B) Competitors vary in scales and each has its own advantages, requiring navigation in a competitive environment.

The Company is currently a medium-sized enterprise in the growth stage, and will face the dual pressures of the capital and technological advantages of large enterprises, as well as the flexibility and low-price competition of small enterprises.

Countermeasures:

a. We actively recruit outstanding environmental protection technology talents from home and abroad, and strengthen our own environmental protection R&D capabilities by cooperating with domestic academic and research institutions and introducing advanced foreign environmental protection technologies. We also cultivate the domestic market and increase our market share.
b. We actively expand into international markets, seize the market opportunities in mainland China and Southeast Asian countries that are growing rapidly due to their legislative progress, and make early arrangements by cooperating with reputable local strategic partners;
c. The Company is committed to developing waste-to-energy conversion technologies, venturing into the waste treatment field, and achieving the goal of stable growth in company operations.

(II) Usage and manufacturing processes for the company's major products

The Company primarily possesses three core technologies: soil and groundwater pollution remediation, thermal desorption equipment, and mechanical biological treatment (MBT) equipment. Their key applications and production processes are as follows:

1. Soil and groundwater pollution remediation technologies

The Company's current soil and groundwater remediation technologies include extraction treatment, enhanced in-situ bioremediation, oxidation rods, surfactant flushing, thermal treatment, in-situ chemical oxidation, and in-situ stabilization of heavy metals. The application of the technology and representative sites are summarized in the table below.

Table 2-6: Summary of the Company's Soil and Groundwater Remediation Technology Applications and Representative Achievements from 2013 to 2025

Item No.	Technology	Site of application	Medium	Target pollutants
1	● Extraction process (air stripping & O_3 /UV treatment) ● Enhanced in-situ bioremediation (slow-release emulsified oil substrate) ● Packer-Isolated Injection at Specific Depths ● Packer-isolated Discrete-depth Purging/Sampling	○○ Machinery Industrial Co., Ltd.	Groundwater	● 1,1-Dichloroethylene ● cis-1,2-Dichloroethylene ● Trichloroethylene ● dichloromethane
2	● Extraction and treatment (aeration tank and activated carbon treatment)	○○○ Industrial Co., Ltd.	Soil	● Chromium: 7920 ● Copper: 556 ● Trichloroethylene: 110 ● Zinc: 71400
3	● Enhanced in-situ bioremediation (slow-release emulsified oil)		Groundwater	● Trichloroethylene: 17.3
4	● Extraction process (O_3 /UV treatment) ● Enhanced in-situ bioremediation (slow-release emulsified oil hydrogen release substrate) ● Slow-release oxidation rod	Guanyin Factory, ○○ Industrial, Taoyuan	Groundwater	● Trichloroethylene
5	● Circulation well	Air Force Academy, Gangshan District , CPC Kaohsiung Refinery	Groundwater	● Chlorinated organic compounds ● Total petroleum hydrocarbons (TPH)
6	● In-situ stabilization of heavy metals	Meifeng Plant, ○○ Chemical Engineering	Soil	● Heavy metal
7	● In-situ chemical oxidation method		Groundwater	● Heavy metals and chlorinated organic compounds

8	● Surfactant flushing	Shulin Plant oc Taipower	Soil	● Total petroleum hydrocarbons (TPH)
9	● Heat treatment	Land No. 1-3, Hongmao Section, Xiaogang District, Kaohsiung City	Soil	● PCB ● Total petroleum hydrocarbons (TPH)
10	● High-temperature thermal desorption with spiral tubes ● Scrubbing & pitting effect ● Water scrubbing technology	CPC Shell Lubricants Co., Ltd.	Soil	● Total petroleum hydrocarbons (TPH)
11	● Direct-combustion high-temperature thermal desorption	Anshun Plant, ○○○○○ Petrochemical	Soil	● Dioxin ● Mercury
12	● Induction heating furnace	Pinghai Camp and Qijin Camp	Soil	● Total petroleum hydrocarbons (TPH)
13	● Biological restoration agents	Kaohsiung Refinery of CPC	Soil	● Total petroleum hydrocarbons (TPH)

Source: Compiled by the Company

2. Thermal desorption equipment

"Thermal desorption" refers to a process technology that uses direct or indirect heat exchange to cause substances such as "organic pollutants" or "heavy metal pollutants" in contaminated soil to volatilize and separate from the soil, and then effectively collects and treats the volatilized pollutants. The thermal desorption system includes a pretreatment and feeding unit, a thermal desorption chamber, an exhaust condenser (for mercury collection), and a separation and processing system. The relevant processes are shown in Figure 2-6.

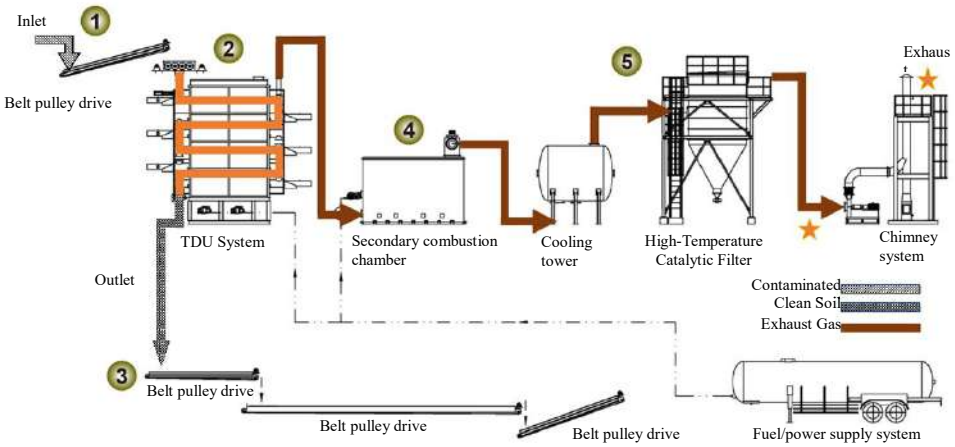


Figure 2-6. Conceptual diagram ofthe Company's thermal desorption process.
Source: Compiled by the Company

Thermal desorption can treat a wide range of substances, including not only soil, but also industrial sludge, sediment, and filter cake. It can treat pollutants such as petroleum, VOCs, SVOCs, and pesticides. However, it cannot effectively treat corrosive organic compounds and reactive substances (oxidizing and reducing agents). The effectiveness of thermal desorption treatment for various substances is shown in Table 2-7.

Table 2-7. List of substances that can be effectively treated by thermal desorption.

Pollutant classification		Effectiveness			
		Soil	Industrial sludge	Sediment	Filter cake
Organic compounds	Halogenated volatile organic compounds	1	2	2	1
	Halogenated semi-volatile organic compounds	1	2	2	1
	Non-halogenated volatile organic compounds	1	2	2	1
	Non-halogenated semi-volatile organic compounds	1	2	2	1
	Polychlorinated biphenyls (PCBs)	1	2	2	2
	Insecticide	1	2	2	2
	Dioxins/furans	1	2	2	2
	organic cyanide	2	2	2	2
	Corrosive organic compounds	3	3	3	3
Inorganic substances	Volatile metals	1	2	2	2
	Non-volatile metals	3	3	3	3
	Asbestos	3	3	3	3
	Radioactive metals	3	3	3	3

	Corrosive inorganic substances	3	3	3	3
	Inorganic cyanide	3	3	3	3
Reactive substances	Oxidizing agent	3	3	3	3
	Reducing agent	3	3	3	3

Note 1: indicates that it has been verified as effective; 2: indicates that it may be effective; 3: indicates that it is not effective.

Source: "Guidance and Promotion Program for Industrial Green Technology" - Introduction to the application of thermal desorption treatment technology in the remediation of sites contaminated by organic compounds, 2006, Industrial Development Bureau, Ministry of Economic Affairs

3. Mechanical Biological Treatment (MBT) System

MBT is a waste recycling facility that combines sorting equipment and a bio-dehydration system. The main process is to first classify the waste through different sorting systems to screen out resource materials, combustibles, and worthless waste. The combustibles are then homogenized by reducing their moisture content through a "bio-fermentation drying process" and finally produced as SRF to supply coal-fired boiler operators, cogeneration plants, and other related manufacturing industries with thermal processes as alternative fuels. The relevant process is shown in Figure 2-7.

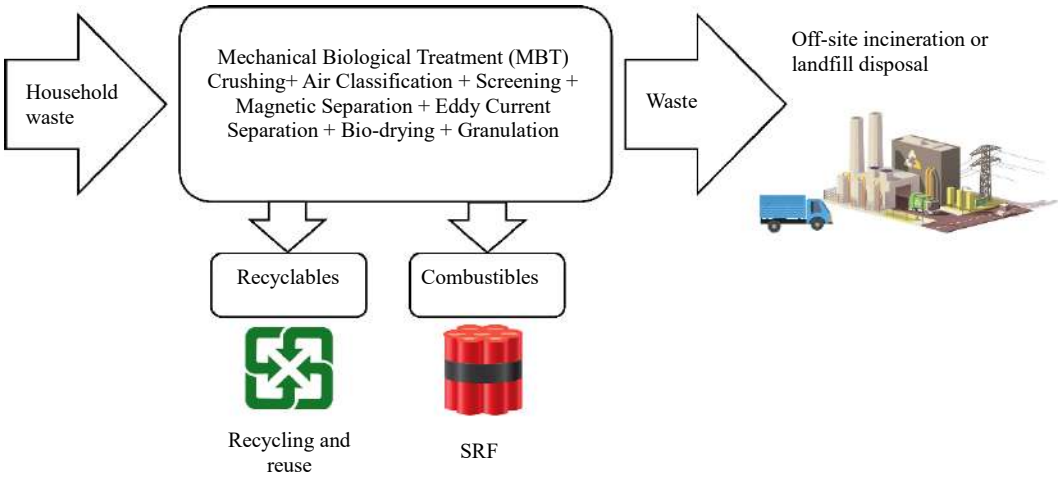


Figure 2-7. Schematic diagram of waste treatment, recycling and regeneration.
Source: Compiled by the Company

(III) Supply Status of Major Raw Materials

The Company is a service provider for pollution remediation and environmental protection engineering. Our main procurements are subcontracted engineering projects, rental of on-site construction machinery and manpower, waste transportation and disposal, and different parts and materials required each polluted site depending

on their conditions. We do not have fixed main raw materials for production. All of our major procurements are procured in accordance with existing procedures, and the supply is relatively stable.

(IV) A list of any vendors accounting for 10 percent or more of the company's total purchase amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures: None

(V) A list of any clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$thousand

	2024				2025			
Item	Name	Amount	Percentage of total net sales for the year [%]	and Relationship with the issuer	Name	Amount	Percentage of total net sales for the year [%]	and Relationship with the issuer
1	New Construction Office, Public Works Bureau, Kaohsiung City Government	1,098,189	64.02	-	New Construction Office, Public Works Bureau, Kaohsiung City Government	798,617	64.45	-
2	Zuoying Logistics Command	144,222	8.41	-	Zuoying Logistics Command	152,367	12.30	-
	Others	472,855	27.57	-	Others	288,162	23.25	-
	Net sales	1,715,266	100.00	-	Net sales	1,239,146	100.00	-

Description of increase/decrease

The Company is a pollution control and environmental engineering company. In addition to central and local environmental protection agencies, local governments, units under the Ministry of National Defense and state-owned enterprises are also our long-term customers for major sales. However, the sales weight varies with the settlement amount of projects each year. The significant decrease in sales to New Construction Office, Public Works Bureau, Kaohsiung City Government in 2025 and 2024 was due to the fact that the project wA nearing completion, resulting in a substantial decrease in sales based on project investment.

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Ratio

March 31, 2026

year		2024	2025	The current year as of March 31, 2026
Number of employees	Direct employees	107	92,	89
	Indirect employees	89	82	80
	Total	196	174	169
Average age		38	40	40
Average years of service		4	4.9	5.12
Education distribution percentage	PhD	3.57%	4.02%	4.14%
	Master's degree	36.73%	40.80%	39.06%
	University and college	45.92%	40.81%	42.60%
	Senior high school	11.73%	12.07%	11.83%
	Under senior high school	2.04%	2.30%	2.37%

IV. Information on disbursements for environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

V. Labor relations

(I) Any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

Employees are a vital asset tothe Company. We value their physical and mental well-being, a positive work environment and atmosphere, and emphasize education and training to enhance their professional skills. We also organize a wide variety of activities to help employees maintain a balance between family life, mental and physical health, and work enthusiasm, as detailed below:

1. Employee benefits measures

A. Remuneration and bonuses: A competitive remuneration system, with year-end bonuses and performance bonuses based on annual operating performance. The employees' remuneration and share incentives (such as employee share subscription warrants, employees' rights of subscription for cash capital increases, etc.) are distributed in accordance with the Company Act and the Articles of Incorporation.

B. Insurance: Labor insurance, national health insurance, the comprehensive employer's liability insurance, and group accident insurance for employees.

C. Employee Welfare Committee: The Company has established the Employee Welfare Committee in accordance with the laws, and contributes welfare funds on schedule as required. In addition to providing various benefits such as marriage, bereavement, and maternity allowances, as well as gifts and cash for the three major festivals, the Company also regularly organizes employee trips and dinners.

D. Work Environment: We value the innovation and enthusiasm of our employees in both work and life. The office features a creative sofa area with green plants for therapeutic purposes and provides free coffee, drinks and snacks to replenish employees' energy. We also offer flexible work hours and locations to improve work efficiency.

E. The Company has established the regulations governing housing subsidy for expatriates and the regulations governing dormitory management for employees working abroad. It has also established the regulations governing reimbursement for employees driving their own vehicles for business trips and a regulations governing company vehicle management, to distribute or subsidize related expenses, so that employees can focus on their works.

F. Health care: In order to create a healthy workplace environment, in addition to conducting regular employee health checkups, we also provide on-site medical services to implement the employee health care.

2.Continuing education and trainings to the employees

The Company has established the "Regulations Governing Education and Training" to foster employees' professional knowledge and skills, enabling them to perform their duties, increase work efficiency, ensure work quality, and achieve the goal of sustainable operation and development. In addition to orientation for new employees to help them quickly integrate into the organization, department heads and employees can also organize company-wide or departmental training courses

and seminars based on the project needs of trends in the internal and external environment, thereby strengthening employees' comprehensive training and learning channels, enhancing their professional skills and core competitiveness, and encouraging employees to pursue further education on the job. The Company provides the following trainings:

A. Orientation for new employees.
B. Regularly arrange for professionals to participate in external education and training.
C. Invite experts and scholars to give lectures from time to time.
D. Regularly hold presentation for training results
E. Subsidize employees for on-the-job trainings.

3. The retirement system and its implementation

The Company has established the regulations governing employee retirement and the Labor Retirement Reserve Oversight Committee, with contributions deposited in a specific account at Bank of Taiwan in accordance with the laws. Furthermore, since July 1, 2005, upon the enforcement of the "Labor Retirement Pension Act," the Company has been legally contributing monthly retirement pensions to the Individual Specific Account for Labor Retirement Pension established by the Labor Insurance Bureau, with a contribution rate of six percent of monthly salary. Employees may voluntarily contribute an additional 6% at maximum of their monthly salary to their retirement fund.

4. The status of labor-management agreements and various measures to protect employee rights

All operations ofthe Company are conducted in accordance with the Labor Standards Act. In addition to holding regular labor-management meetings for communication, we have also set up a billboard of employee feedback to maintain harmonious labor relations.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company values labor relations, holds regular labor-management meetings, and has a billboard of employee feedback to provide a two-way communication channel between labor and management. As a result, labor relations are harmonious, and there have been no labor disputes or losses incurred as a result in the most recent year and up to the date of publication of the annual report. Based on the Company's principle of mutual benefit and shared interests between employers and employees, the possibility of future losses due to labor disputes is extremely low, and there is no risk of disputes occurring.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

The Company's organizational structure includes an Information Team under the Management Department, which is responsible for maintaining the operation of information systems, troubleshooting information equipment problems, executing information system project plans, and maintaining information security.

2. Cybersecurity Policy:

To ensure the security and stability of the Company's network and information usage environment, the Company has established the "Regulations Governing Cyber Security," "Rules for Cyber Security Implementation," and "Regulations Governing Response to Cyber Security Incident." The Information Team under the Management Department is responsible for promoting and implementing the cyber security operations stipulated in these regulations, the contents of which are as follows:

A. Complying with relevant information security laws and regulations, formulating relevant information security policies to ensure the security, integrity, and availability of core data and information assets.

B. Assessing various risks that may jeopardize the Company's information assets, proposing corrective or preventative measures, and formulating corresponding cybersecurity countermeasures to ensure that information assets are not threatened.

C. In the event of an incident that has compromised the Company's cybersecurity, ensuring a rapid disaster recovery and response, and restoring

operations in the shortest possible time to ensure the continued operation of core businesses.

D. Promoting and implementing information security protection measures to raise personnel's awareness of information security and reduce risks and threats.

3. Concrete management programs

A. Security management of computer devices

(A) The Company’s computer mainframes, each application servers and other devices are all located in a dedicated data center. Access to the computer room is controlled by contactless card swiping, and access records are kept for future reference.

(B) The data center is equipped with independent air conditioning to maintain the computer devices in a suitable temperature environment.

(C) The host in the data center is equipped with uninterruptible power supply and voltage stabilization equipment to avoid system crashes caused by unexpected instantaneous power outages, or to ensure that the operation of computer application systems will not be interrupted during temporary power outages.

B. Network security management

(A) Strengthening network control and configuring enterprise-level firewalls at the entry points for connection to the external network for blocking unlawful intrusion by hackers.

(B) Employees attempting to access the ERP system remotely via the Company’s intranet must apply for a VPN account and use the VPN to log in and use it securely.

C. Virus prevention and management

Endpoint protection software is installed on both the server and employees’ computer terminals. The virus codes are automatically updated to ensure that the latest viruses can be blocked. Meanwhile, it can detect and prevent the installation of potentially threatening system executable files.

D. Use of legal software

The system detects the software installed on employees' terminal computers and prohibits the use of unauthorized software. All software required for work must be legally authorized.

4. Resources invested in cybersecurity management:

The Company currently has two IT personnel responsible for the Company's cyber security management. The IT team regularly performs various information security-related tests and assessments. The frequency and results of these tests and assessments are as follows:

Item	Operation frequency	Outcome
Data center patrol and inspection	Daily	There are no event that shall be listed as major risks.
ERP system interruption recovery test	Once a year	There are no event that shall be listed as major risks.
Forced change of password for terminal computer device/email	Once every three months	There are no event that shall be listed as major risks.
Inspection of ERP system permission settings	Once a year	There are no event that shall be listed as major risks.
Database backup	Automatic backup daily	There are no event that shall be listed as major risks.
Inspection for legality of computer software	Irregularly, but at least once a year	There are no event that shall be listed as major risks.
Promotion of information security	Irregularly, but at least once a year	There are no event that shall be listed as major risks.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has not suffered any losses due to significant cyber security incidents in the most recent year or up to the date of publication of the annual report.

VII. Important Contracts

Contractual nature	Party	Commencement dates and expiration dates	Main content	Restrictive clauses
Project contract	Navy Zuoying Logistics Support Command	2023.06.12~ 2026.12.31	Phase II of the turnkey project for soil and groundwater pollution remediation at Qijin Military Camp	None
Project contract	New Construction Office, Public Works Bureau, Kaohsiung City Government	2023.08.04~ 2026.08.04	Accelerating the remediation of soil and groundwater pollution in Zone 1, 2, 5 and 6 of the Kaohsiung Refinery (West District Project)	None

Contractual nature	Party	Commencement dates and expiration dates	Main content	Restrictive clauses
Project contract	China Petrochemical Development Corporation	From July 11, 2025, until the termination of the rights and obligations between the two parties (the site shall be restored within 6 months after the removal from the control list)	Pollution control operation project of Shulin Factory of former Taiwan Alkali	None
Project contract	Environmental Protection Bureau, Taichung City Government	2025.4.18~ 2027.4.18	Installation program of solid recovered fuel in Taichung City	None
Credit agreement	Taiwan Business Bank Co., Ltd.	2023.08.10~ 2027.01.08	Performance guarantee	Pledged for repayment
Credit agreement	CTBC	2023.11.10- 2026.08.31	Long-term guaranteed borrowings	Equipment mortgage
Credit agreement	CTBC	2025.05.31- 2026.05.31	Comprehensive credit limit	None
Credit agreement	Bank SinoPac	2025.04.15- 2026.04.30	Comprehensive credit limit	Pledged for repayment
Credit agreement	Mega Bank	2026.02.17~ 2027.02.17	Comprehensive credit limit	Pledged for repayment
Credit agreement	Hua Nan Bank	2023.03.03~ 2028.05.08	Long-term guaranteed borrowings	Equipment mortgage
Credit agreement	Hua Nan Bank	2023.05.26~ 2029.01.31	Long-term guaranteed borrowings	Equipment mortgage
Credit agreement	Hua Nan Bank	2026.02.02~ 2029.02.02	Long-term guaranteed borrowings	Pledged for repayment
Credit agreement	Hua Nan Bank	2023.05.26~ 120.03.31	Performance guarantee	Pledged for repayment
Credit agreement	Hua Nan Bank	2025.10.15~ 2026.10.15	Comprehensive credit limit	Pledged for repayment
Credit agreement	Fubon Bank	2025.06.28~ 2026.06.28	Short-term loans	None
Credit agreement	Fubon Bank	2025.07.11~ 2027.07.11	Medium and long-term borrowings	Pledged time deposit
Credit agreement	Chang Hwa Bank	2025.09.30~ 2028.05.14	Guarantees; medium- and long-term borrowings	Pledged for repayment
Credit agreement	First Commercial Bank	2025.05.30~ 2026.05.14	Comprehensive credit limit	Pledged for repayment
Credit agreement	Shinkong Bank	2025.09.01~ 2026.08.20	Short-term loans	Pledged for repayment
Credit agreement	International Bills Finance Corporation	2026.01.07~ 2027.01.06	Short-term notes	None

E. Review and analysis of financial position and performance, and risks

I. Financial position

(I) Financial Position Analysis and Comparison Table - International Financial Reporting Standards (Consolidated Financial Statements)

Unit: NT$ thousand

Item \ Year		End of 2024	End of 2025	Increase/decrease	
				Amount	Percentage
Current assets		1,536,752	1,275,156	(261,596)	(17%)
Property, plant and equipment		214,516	162,441	(52,075)	(24%)
Intangible assets		2,356	1,356	(1,000)	(42%)
Other assets		50,953	57,938	6,985	14%
Total assets		1,804,577	1,496,891	(307,686)	(17%)
Current liabilities	Before distribution	697,359	450,304	(247,055)	(35%)
	After distribution	796,427	509,249	(287,178)	(36%)
Non-current liabilities		313,217	110,162	(203,055)	(65%)
Total liabilities	Before distribution	1,010,576	560,466	(450,110)	(45%)
	After distribution	1,109,644	619,411	(490,233)	(44%)
Equity attributed to owners of parent company		794,001	936,425	142,424	18%
Share capital		293,225	337,470	44,245	15%
Capital surplus		202,412	330,835	128,423	63%
Retained earnings	Before distribution	298,140	300,957	2,817	1%
	After distribution	199,072	242,012	42,940	22%
Other equity		224	1,591	1,367	610%
Treasury stocks		-	(34,428)	(34,428)	100%
Non-controlling interests		-	-	-	-
Total equity	Before distribution	794,001	936,425	142,424	18%
	After distribution	694,933	877,480	182,547	26%

1. Analysis and description for changes exceeding 20% and with a change amount exceeding NT$10 million:

(1) The change in current assets was mainly due to decreases in other financial assets, cash and cash equivalents and contract assets.

(2) The decrease in property, plant and equipment was due to the completion of the projects, resulting in a decrease in the required equipment.

(3) The change in total assets was mainly due to decreases in other financial assets, cash and cash equivalents and contract assets.

(4) The change in current liabilities (before and after distribution) was mainly due to the decreases in short-term borrowings and accounts payable.

(5) The change in non-current liabilities was mainly due to a decrease in long-term borrowings.

(6) The change in total liabilities (before and after distribution) was mainly due to the decreases in long and short-term borrowings and accounts payable.

(7) The changes in equity attributable to the owners of the parent company were mainly due to increases in share capital, capital surplus and retained earnings.

(8) The change in capital surplus was mainly due to capital increase in cash and premiums from the issuance of new shares.

(9) The change in retained earnings (before and after distribution) was mainly due to the profit in 2025.

(10) The change in total equity (before and after distribution) was mainly due to the increase in share capital, capital reserve and retained earnings.

2. The above changes have no material impact on the Company.

(II) Financial Position Analysis and Comparison Table - International Financial Reporting Standards (Parent-Company Only Financial Statements)

Unit: NT$ thousand

Item \ Year		End of 2024	End of 2025	Increase/decrease	
				Amount	Percentage
Current assets		1,506,994	1,252,433	(254,561)	(17%)
Property, plant and equipment		214,267	162,266	(52,001)	(24%)
Intangible assets		2,356	1,356	(1,000)	(42%)
Other assets		79,750	80,160	410	1%
Total assets		1,803,367	1,496,215	(307,152)	(17%)
Current liabilities	Before distribution	696,149	449,628	(246,521)	(35%)
	After distribution	795,217	508,573	(286,644)	(36%)
Non-current liabilities		313,217	110,162	(203,055)	(65%)
Total liabilities	Before distribution	1,009,366	559,790	(449,576)	(45%)
	After distribution	1,108,434	618,735	(489,699)	(44%)
Equity attributed to owners of parent company		794,001	936,425	142,424	18%
Share capital		293,225	337,470	44,245	15%
Capital surplus		202,412	330,835	128,423	63%

Retained earnings	Before distribution	298,140	300,957	2,817	1%
	After distribution	199,072	242,012	42,940	22%
Other equity		224	1,591	1,367	610%
Treasury stocks		-	(34,428)	(34,428)	100%
Non-controlling interests		-	-	-	-
Total equity	Before distribution	794,001	936,425	142,424	18%
	After distribution	694,933	844,480	182,547	26%

1. Analysis and description for changes exceeding 20% and with a change amount exceeding NT$10 million:

(1) The change in current assets was mainly due to decreases in other financial assets, cash and cash equivalents and contract assets.

(2) The decrease in property, plant and equipment was due to the completion of the projects, resulting in a decrease in the required equipment.

(3) The change in total assets was mainly due to decreases in other financial assets, cash and cash equivalents and contract assets.

(4) The change in current liabilities (before and after distribution) was mainly due to the decreases in short-term borrowings and accounts payable.

(5) The change in non-current liabilities was mainly due to a decrease in long-term borrowings.

(6) The change in total liabilities (before and after distribution) was mainly due to the decreases in long and short-term borrowings and accounts payable.

(7) The changes in equity attributable to the owners of the parent company were mainly due to increases in share capital, capital surplus and retained earnings.

(8) The change in capital surplus was mainly due to capital increase in cash and premiums from the issuance of new shares.

(9) The change in retained earnings (before and after distribution) was mainly due to the profit in 2025.

(10) The change in total equity (before and after distribution) was mainly due to the increase in share capital, capital reserve and retained earnings.

2. The above changes have no material impact on the Company.

II. Financial performance

(II) Financial Performance Analysis and Comparison Table - International Financial Reporting Standards (Consolidated Financial Statements)

Unit: NT$ thousand

Item \ Year	2024	2025	Increase/decrease	
			Amount	Percentage
Operating revenue	1,715,266	1,239,146	(476,120)	(28%)
Gross profit	363,768	263,618	(100,150)	(28%)
Operating profit and loss	199,404	116,735	(82,669)	(41%)
Non-operating income and expenses	(15,794)	3,414	19,208	(122%)
Net income before tax	183,610	120,149	(63,461)	(35%)
Net profit of continuing operations for the period	147,227	101,885	(45,342)	(31%)
Losses from discontinued operations	-	-	-	-
Net profit for the period	147,227	101,885	(45,342)	(31%)
Other comprehensive profit and loss for the period (Net amount after tax)	314	1,367	1,053	335%
Total comprehensive income for the period	147,541	103,252	(44,289)	(30%)
Net profit attributable to owners of parent company	147,227	101,885	(45,342)	(31%)
Net profit attributable to non-controlling interests	-	-	-	-
Total comprehensive income attributable to owners of parent company	147,541	103,252	(44,289)	(30%)
Total comprehensive income attributable to non-controlling interests	-	-	-	-
Earnings per share (NT$)	5.06	3.09	(1.97)	(39%)

1. Analysis and description for changes exceeding 20% and with a change amount exceeding NT$10 million:

(1) The change in operating revenue was mainly due to the fact that the projects with larger contract prices, including soil and groundwater pollution remediation projects at the Kaohsiung Refinery (such as the Kaohsiung Refinery West District Project, with a contract amount of NT$2.719 billion) were nearing completion, resulting in a decrease in operating revenue in 2025 compared to 2024.

(2) The change in operating profit and loss was mainly due to the fact that the Kaohsiung Refinery West District project was nearing completion in 2025, and the related costs and expenses were reduced as a result.

(3) The changes in pre-tax net profit, net profit of continuing operations, net profit of the current period, total comprehensive income of the current period, net profit attributable to the owners of parent company, and total comprehensive income attributable to the owners of parent company are mainly due to the fact that the Kaohsiung Refinery West District project was nearing completion in 2025.

2. The above changes have no material impact on the Company.

(II) Financial Performance Analysis and Comparison Table - International Financial Reporting Standards (Parent-Company Only Financial Statements)

Unit: NT$ thousand

Item \ Year	2024	2025	Increase/decrease	
			Amount	Percentage
Operating revenue	1,676,187	1,237,367	(438,820)	(26%)
Gross profit	350,309	262,111	(88,198)	(25%)
Operating profit and loss	194,242	123,949	(70,293)	(36%)
Non-operating income and expenses	(10,685)	(3,782)	6,903	(65%)
Net income before tax	183,557	120,167	(63,390)	(35%)
Net profit of continuing operations for the period	147,227	101,885	(45,342)	(31%)
Losses from discontinued operations	-	-	-	-
Net profit for the period	147,227	101,885	(45,342)	(31%)
Other comprehensive profit and loss for the period (Net amount after tax)	314	1,367	1,053	335%
Total comprehensive income for the period	147,541	103,252	(44,289)	(30%)
Net profit attributable to owners of parent company	147,541	103,252	(44,289)	(30%)
Net profit attributable to non-controlling interests	-	-	-	-
Total comprehensive income attributable to owners of parent company	147,541	103,252	(44,289)	(30%)
Total comprehensive income attributable to non-controlling interests	-	-	-	-
Earnings per share (NT$)	5.06	3.09	(1.97)	(39%)

1. Analysis and description for changes exceeding 20% and with a change amount exceeding NT$10 million:

(1) The change in operating revenue was mainly due to the fact that the projects with larger contract prices, including soil and groundwater pollution remediation projects at the Kaohsiung Refinery (such as the Kaohsiung Refinery West District Project, with a contract amount of NT$2.719 billion) were nearing completion, resulting in a decrease in operating revenue in 2025 compared to 2024.

(2) The change in operating profit and loss was mainly due to the fact that the Kaohsiung Refinery West District project was nearing completion in 2025, and the related costs and expenses were reduced as a result.

(3) The changes in pre-tax net profit, net profit of continuing operations, net profit of the current period, total comprehensive income of the current period, net profit attributable to the owners of parent company, and total comprehensive income attributable to the owners of parent company are mainly due to the fact that the Kaohsiung Refinery West District project was nearing completion in 2025.

2. The above changes have no material impact on the Company.

III. Cash flow

(I) Analysis and description of cash flow changes during the most recent year

Unit: NT$ thousand; %

Year / Accounting item	2024	2025	Amount increased/ decreased	Percentage of change (%)
Net cash flow from operating activities	273,721	128,476	(145,245)	(53.06)
Net cash flow from investing activities	(67,704)	92,914	160,618	237.23
Net cash flow from financing activities	(100,439)	(325,625)	(225,186)	(224.20)
Analysis of cash flow changes: 1. Decreased inflow from operating activities: This was mainly due to a decrease in contract assets in 2025. 2. Increased outflow from investing activities: This was mainly due to the decrease in other financial assets in 2025. 3. Decreased outflow of funds from financing activities: This was mainly due to a decrease in long-term borrowings in 2025.				

(II) Corrective measures to be taken in response to illiquidity

The Company is currently generating stable profits, resulting in net cash inflow from operating activities. The main cash outflow is to repay bank borrowings. The Company has not experienced any illiquidity during the year, and therefore there is no liquidity risk due to the inability to raise funds.

(III) Liquidity analysis for the coming year (2026)

Beginning cash balance of the year (1)	Expected net cash flow from operating activities for the whole year (2)	Expected net cash flow from investing activities for the whole year (3)	Expected net cash flow from financing activities for the whole year	Expected cash balance (shortage) (1)+(2)+(3)+(4)	Countermeasures for cash deficit	
					Investment Plan	Financing plan
230,168	318,609	(450,000)	(57,916)	40,861	-	-

Analysis and Explanation:

1. Analysis of cash flow changes in the coming year:
   (1) Operating activities: Significant cash inflow from operating activities is generated mainly due to the after-tax net profit and cash collection of accounts receivable in 2026.
   (2) Investing activities: Mainly the expected investments in waste treatment and BOT subsidiaries.
   (3) Financing activities: Mainly the distribution of cash dividends, cash capital increases and repayment of bank borrowings.
2. Expected countermeasures for cash deficit: There is currently no cash deficit.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

The Company purchased equipment for NT$32,267 thousand in 2025, mainly for the Project for Conversion of Waste to SRF as Energy and Resource for Yunlin County in 2025 aiming improving efficiency. This had no significant impact on the Company's finance and operations.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Reinvestment policy

The Company's reinvestment policy is based on considerations of sustainable operation and business growth. Meanwhile, pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” stipulated by the competent authority, the Company has established the “Operating Procedures for

Acquisition and Disposal of Assets" as the basis of the reinvestment in other businesses, to grasp the relevant business and financial status. In addition, in order to enhance the supervision and management of the reinvestees, we have established the "Procedures for Supervision and Management of Subsidiaries" in the internal control system, providing the relevant standards for information disclosure, business, inventory and financial management, so that the Company's reinvestments exert the maximum potentials.

(II) Main reasons for the profits/losses generated from reinvestments and the plan for improving re-investment profitability

Unit: NT$ thousand

Investee businesses	Main businesses	Investment gains and losses recognized in 2025	The main reasons for profit or loss	Improvement plan
Yushan International Co., Ltd. (Hong Kong) (Note)	Investment business	(3,569)	The main reason is the recognition of investment gains and losses from Kunshan Yuchuan Environmental Protection Engineering Co., Ltd., a subsidiary of the Company.	None
Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	Technical development and consulting services in the fields of environmental engineering, environmental equipment, and environmental technology	(5,837)	This is mainly because Kunshan Yuchuan Environmental Protection Engineering Co., Ltd. started operations in 2023, but its business volume had not yet reached a certain scale by 2025. It will continue to actively expand its business in the future.	None

Note: On February 27, 2025, the Company's Board of Directors approved an adjustment to the investment structure of its subsidiary, Kunshan Yuchuan Environmental Protection Engineering Co., Ltd., by changing it to a direct investment as that the Company no longer holds shares through Yushan International Co., Ltd. Following the termination of its duty of holding a company, the subsidiary, Yushan International Co., Ltd., had no other business operations. The Company completed the liquidation and cancellation process in Hong Kong in July 2025.

(III) Investment plan for the coming year: On March 9, 2026, the Company's Board of Directors approved a joint investment with industry peers to establish a subsidiary

within the waste resource recycling and reuse industry, driven by operational requirements. The Company's initial investment amounts to NT$30.6 million (representing a 51% ownership interest), and three directors will be appointed to the subsidiary's board.

VI. Analysis and assessment of risks

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate in the most recent year and up to the date of publication of the annual report, and response measures to be taken in the future:

1. Interest rate changes

Unit: NT$thousand; %

Item \ Year	2023		2024		2025	
	Amount	Percentage to the net operating revenue	Amount	Percentage to the net operating revenue	Amount	Percentage to the net operating revenue
Interest income	1,290	0.09%	3,415	0.20%	4,623	0.37%
Interest expenses	10,467	0.72%	24,008	1.40%	8,564	0.69%

Interest expenses as a percentage of net operating income for the Company and its subsidiaries in 2023, 2024, and 2025 were 0.72%, 1.4% and 0.69%, respectively. The weight in each period were insignificant, mainly due to the financing interest incurred by the Company from borrowing from financial institutions for operating needs. Looking ahead to this year, countries have entered a phase of raising interest rates to adjust for inflationary pressures; however, while interest rates have fluctuated in the domestic market, they are not expected to have a significant adverse impact on the Company's revenue and profits. Furthermore, the Company and its subsidiaries closely monitor changes of market interest rates and maintain close contact with their banks, and observe and analyze the impact of interest rate changes in financial markets on the Company and its subsidiaries in a timely manner. The ratio of interest income and interest expense to net operating revenue for the Company and its subsidiaries is not high; therefore, changes in interest rates have no significant impact on the profit and loss of the Company and its subsidiaries.

2. Exchange rate fluctuations:

Unit: NT$thousand; %

Item \ Year	2023		2024		2025	
	Amount	Percentage to the net operating revenue	Amount	Percentage to the net operating revenue	Amount	Percentage to the net operating revenue
Net exchange (loss) gain	105	0.01%	1,145	0.67%	(353)	(0.03%)

The foreign exchange gains (losses) of the Company and its subsidiaries accounted for 0.01%, 0.67% and (0.03%) of the net operating revenue in 2023, 2024, and 2025, respectively. The proportion of foreign exchange (gains and losses) to the net operating revenue in the period was insignificant, and the exchange rate fluctuations had no significant impact on the Company. Since the Company's main business is currently located in Taiwan and the main currency of transactions is the New Taiwan Dollar, the exchange rate risk mainly comes from the foreign currency payment needs for imported materials. The subsidiaries mainly conduct transactions in CNY and there are currently no major transactions. Therefore, the impact of exchange rate fluctuations on the Company and its subsidiaries is not significant. However, the Company and its subsidiaries continue to monitor market exchange rate changes in order to reduce exchange rate risk.

3. Inflation

In the most recent year and up to the date of publication of the annual report, the inflation has not had a significant impact on the Company’s profit or loss. In the future, the Company will continue to monitor market price fluctuations and changes in the price index, maintain good relationships with customers and suppliers, and adjust its business strategy as appropriate based on the impact of inflation on its business operations. Overall, the inflation is not expected to have a significant impact on the company's profit or loss.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future in the most recent year and up to the date of publication of the annual report:

The Company and its subsidiaries focus on their core business and have not engaged in any business related to high-risk, high-leverage investments, loaning of funds to others, endorsement/guarantees, or derivative trading in the most recent year

and up to the date of publication of the annual report. Therefore, there is no significant risk to the operation of the Company and its subsidiaries.

If, in the future, there is a need to endorse/ guarantee others, loaning of funds to others, or trade derivatives due to business development or hedging needs, the Company and its subsidiaries will comply with the “Operating Procedures for Acquisition and Disposal of Assets” (including procedures for derivatives), "Operating Procedures for Loaning of Funds to Others," and "Operating Procedures for Endorsement/Guarantee" as the basis for conducting related operations.

(III) Research and development plans in the future, and further expenditures expected for research and development work

Research and development is a crucial cornerstone for the sustainable development of an enterprise. Only by continuously improving technology, the Company is able to ensure its competitive advantage. In 2024 and 2025, the Company and its subsidiaries invested NT$26,219 thousand and NT$27,900 thousand in R&D expenses, respectively, accounting for 1.53% and 2.25% of net operating revenue. In response to the ever-evolving governmental environment policies and the rising international environmental awareness, the Company and its subsidiaries will provide 1.5% to 2.5% of their annual revenue as the R&D budget for the following year. This budget will be used for fostering talents of environmental technology, developing new products/technologies, applying and maintaining patents, and upgrading and maintaining R&D equipment. The R&D plan for the next three years is shown in Table 1-1 below.

Table 1-1. The Company's R&D Plan for the Next Three Years

Research and development field		Research and development projects
Waste treatment technology	SRF business	(1) Efficiency of heat pump surface water removal
		(2) Design of heat pump water removing reactor
		(3) New wastewater treatment and resource reuse
	Food waste recycling	(1) Shorten the aerobic maturation time
		(2) Fertilizer quality
		(3) Feasibility of feed production
		(4) Application after anaerobic co-fermentation
	Reuse of fly ash	(1) Removal of chlorine-containing components
		(2) Chelation of enzymes with heavy metal
		(3) Dioxins degraded (destroyed) with enzymes.
		(4) Development of new application fields for granular products
	Reuse of agricultural waste	(1) Agricultural waste biocarbon (application material for carbon negative)
		(2) Reuse of agricultural waste as materials

		(3) Reuse of agricultural waste as fertilizers (feeds)
		(4) Refinement of carbonization (increasing value)
Soil restoration technology	Soil and groundwater remediation technologies can be installed as equipment	(1) In-situ microbubble system as equipment
		(2) In-situ electric heating system as equipment

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

1. Important policies adopted and changes in the legal environment at home

A. Important environmental protection policies

According to the Environmental Protection Administration's 2023 policy plan, the government would adopt the prevention principle to implement an early warning mechanism and formulate relevant policies and regulations through the policy themes including "clean air," "circular economy," "improved water quality," "sustainable generation," "environmentally friendly," and "green living."

The policy objectives and strategies listed in the document, such as "establishing a circular production and lifestyle, promoting the resource utilization of waste materials" and "promoting the improvement of river water quality, combining the circular economy model to strengthen pollution reduction at the source, and accelerating the remediation of soil and groundwater pollution," are all closely related to the business developed by the Company. The formulation of these policy objectives and strategies will help the Company expand its business in the future.

B. Environmental/Social/Governance (ESG) Policy

In December 2021, the Taiwan Stock Exchange passed the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," clearly requiring that companies include ESG information disclosure in their published social responsibility reports while "conducting assessments" and "formulateing strategies" for ESG. The environmental protection aspect encompasses how businesses manage greenhouse gas emissions, air quality, carbon footprint, energy use, fuel, water resources and waste management, biodiversity, product packaging and logistics, and other service operations. Yushan's remediation systems and equipment incorporate

carbon reduction design principles. For example, the Mechanical Biological Treatment (MBT) system can effectively convert waste generated by businesses into solid recovered fuel (SRF) and supply the heat required for processes. This not only aligns with the Environmental Protection Administration's policy goal of "turning waste into energy" - reusing waste and reducing fossil fuel and fuel extraction - but also reduces CO2 emissions, as shown in Table 1-2.

Therefore, if enterprises intend to implement ESG policy requirements in the future, the Company will be able to provide comprehensive and reliable system services.

Table 1-2 Comparison of SRF with other fuels in terms of calorific value and CO2 emission coefficient

Fuel	Calorific value	CO_2 emission coefficient per unit weight (tCO_2/ton)	CO_2 emission coefficient per unit energy (tCO_2/MWh)	Comparison of CO_2 emission coefficients after unitization
Bituminous coal	25	2.41	0.3470	1.00
Petroleum coke	33	3.34	0.3644	1.05
Fuel oil	42	3.16	0.2709	0.78
SRF	20	0.64	0.1152	0.33

Source: Compiled by the Company.

C. Green and Sustainable Remediation (GSR)

In order to continuously improve the domestic soil and groundwater pollution survey and remediation technological capabilities and assist the domestic environmental protection industry in promoting technologies, the Environmental Protection Administration incorporated the concept of GSR into technology development in 2021 and promoted its implementation in economic, social and environmental aspects, including "promoting the site certification and technical verification system in Taiwan," "green technology development and testing,", and "monitoring-based natural attenuation method," thereby improving the domestic technical level and quality. Among the initiatives to promote the site certification and technical verification system, a three-stage system for the certification and verification of contaminated sites, soil, and groundwater is planned, as shown in Figure 1-1. It is hoped that the promotion

of the certification and verification system will help improve domestic technologies and promote industrial development.

The Company will actively seek environmental technology inspection and certification from the Environmental Protection Administration, which will not only enhance our corporate image but also benefit our future business expansion in China and overseas.

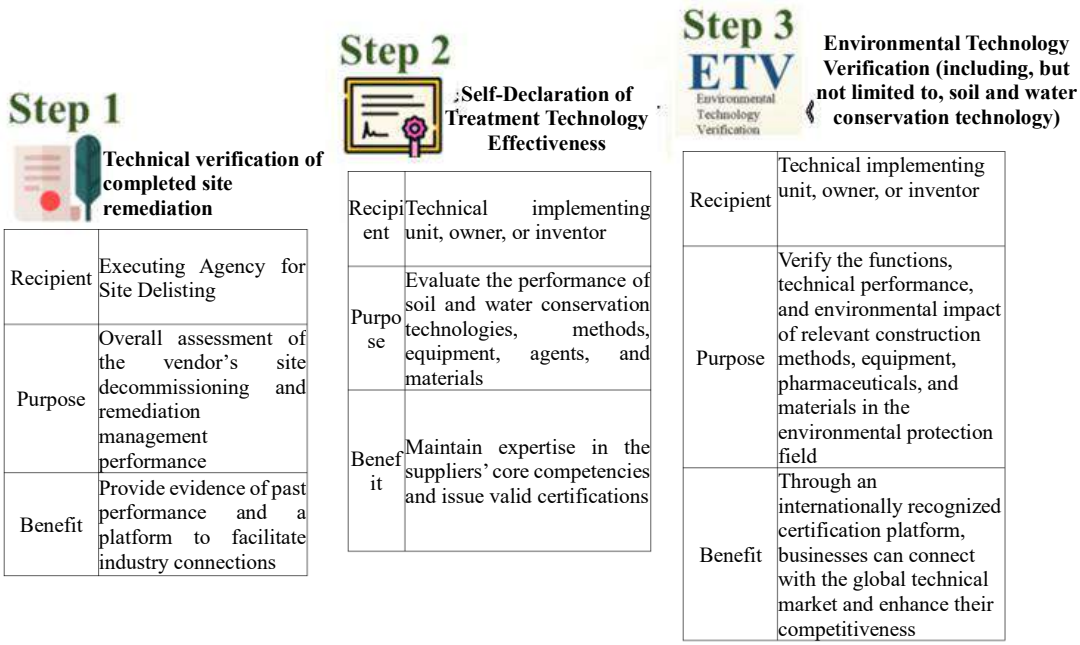


Figure 1-1. Planning of the Three-Stage Technical Certification System for Soil and Groundwater Pollution Survey and Remediation
Source: 2021 Soil and Groundwater Remediation Annual Report, Environmental Protection Administration

D. Resource Circulation Promotion Act

The Environmental Protection Administration is currently working to integrate the Waste Disposal Act and the Resource Recycling Act to promote the legislation of the Resource Circulation Promotion Act. The Environmental Protection Administration stated at the legislative amendment discussion meeting in April 2023, that certain industrial wastes will be announced as "industrial responsibility wastes" in the future, and businesses will be required to pay a resource recycling promotion fee to support backend reuse and use. The company will continue to monitor the legislative progress of this act and its impact on the Company.

E. Reduction, Recycling and Resource Circulation Promotion Plan

In March 2022, the National Development Council released the planning of "2050 Net-Zero Carbon Emission Roadmap," which formulated 12 key

strategies, with "resource recycling" being one of the key focuses. The plan also approved the "Reduction, Recycling and Resource Circulation Promotion Plan" proposed by the Environmental Protection Administration. This plan includes the "Material Resource Recycling Plan," the "Reduction at Source and Circular Procurement Plan," and the "Challenging and Concerning Waste Disposal Plan," with a total investment of NT$3.982 billion from 2023 to 2027. The implementation of this strategic plan will also contribute to the development of the Company's circular economy business.

1. Important policies adopted and changes in the legal environment abroad

A. Global environmental trends

In preparation for the arrival of the net-zero era, more than 130 countries around the world have successively declared that they will achieve the goal of net-zero emissions by 2050. This means that the global greenhouse gas content in the atmosphere will no longer increase. However, not all carbon emissions can be reduced to zero. Therefore, excess emissions must be compensated or offset, such as decarbonization, which means transforming the global energy system from one that relies on fossil fuels to one that is dominated by clean technologies.

B. Environmental policies in western countries

(A) Collection f carbon border tax

In the early 21st century, various EU environmental policies not only strengthened domestic environmental protection but also erected trade barriers. Companies desired to export their products to EU countries had to comply with the relevant environmental directives and regulations. At the end of 2022, the Council of the European Union and the European Parliament reached a provisional framework agreement to establish the EU Carbon Border Adjustment Mechanism (CBAM), which was expected to be piloted from October 2023 to the end of 2026, and officially enforced in 2027. The main approach is to specify the carbon content of products from the exporter country. If the carbon content exceeds the importer country's regulations, the importer will not only have to purchase "carbon credits" but will also be collected for carbon tariffs on the products.

(B) The Rise of Energy Justice

The world is currently experiencing its "first global energy crisis" due to the Russia-Ukraine war and its aftermath. Record-high oil and

coal prices have not only exacerbated inflationary pressures but also worsened the risk of an economic recession. This energy crisis has prompted countries to actively seek ways of rapid energy transition in order to achieve the goal of a secure and sustainable energy system. As a result, "energy justice" has become a new prominent field of study in the field of environmental sustainability in western countries. Currently, most waste is disposed of through incineration and landfill, which not only causes secondary damage to the environment but also fails to effectively solve the energy shortage problem. The concept of SRF is a representative of energy justice.

The MBT system for waste management effectively align with the latest international environmental trends in environmental issues such as net-zero carbon emissions, carbon border taxes, and energy justice, making them among the most popular areas of the circular economy. The promotion and implementation of these policies and concepts will help expand the Company's MBT system business.

C. Soil Remediation policy in Mainland China

The soil remediation policy in mainland China was established by the "Law of the People's Republic of China on the Prevention and Control of Soil Pollution" promulgated in 2018. The soil remediation work has a preliminary clear legal basis and standards, and various provinces and cities have also put forward short-term, medium-term and long-term soil remediation goals and plans accordingly. It is expected that by 2025, the overall quality of soil and groundwater environment in mainland China will remain stable, and the full utilization rate of polluted arable land will reach about 93%. It is expected that nearly CNY10 billion will be invested in specific expenditures for soil pollution prevention and control, launching a detailed investigation of soil pollution status, implementing pilot projects for the treatment and remediation of polluted soil, and establishing a standardized joint supervision mechanism for polluted sites.

Because the current polluted areas of sites in China are vast and policies require rapid resolution, most hope to introduce mechanical equipment for repairs to accelerate the remediation process. In response to the implementation and demand of soil remediation policies in mainland China, the Company has also made advance arrangements and formed strategic alliances with local soil and water companies. In addition to providing technical consulting services

such as remediation planning and design and remediation site supervision, there are also business models that can be developed and utilized with them, such as the sale of water scrubbing and thermal desorption equipment and biological agents. The thermal desorption and water scrubbing equipment developed bythe Company has reached international standards in all technical indicators and fully complies with local policy requirements, which will help us expand related remediation business with strategic partners in the future.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

AI is the driving force behind the Fourth Industrial Revolution, which can not only bring huge business opportunities, but also address major global environmental sustainability issues, including climate change, biodiversity and conservation, healthy oceans, water security, clean air, weather and disaster resilience. The Company and its subsidiaries also continue to pay attention to the development of AI and consider how to apply it to the various environmental remediation equipment and system technologies that the Company is currently planning to develop, in order to enhance the competitive advantage of the Company and its products.

In addition, the Company and its subsidiaries have established relevant cybersecurity protection measures on a regular basis and are committed to preventing the misuse, leakage, or damage of information and assets in the event of human error, intentional sabotage, or natural disasters. The Company and its subsidiaries also pay close attention to the development and evolution of industrial technology changes and begin to assess the impact on the Company's financial and business operations. As of the date of publication of the annual report, technological changes (including cybersecurity risks) and industrial changes have not had a significant impact on the Company's financial and business operations.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The Company and its subsidiaries are committed to environmental protection. The Company is founded on technical consulting and soil and groundwater pollution remediation, and actively develops environmental protection equipment and expands commercial technologies in the field of circular economy. Adhering to the corporate mission of "using superior technologies to return a clean living space to human beings," we are based in Taiwan, and moving towards the international stage, contributing our own efforts to environmental protection. In 2023, the corporate

identity system was redesigned. The upper layer uses a simple teardrop shape to represent clean water after pollution control, while the lower layer uses lines and curves to represent the land in the fields and mountains, as well as the continuously regenerating circular economy system. The logo is mainly light green, representing the endless cycle of nature, and also symbolizing the Company's mission of sustainable environmental protection.

The Company and its subsidiaries have been operating in a standardized manner since their establishment and will continue to maintain an excellent corporate image in the future. There have been no changes in the Company's image that have led to a crisis management in the most recent year or up to the date of publication of the annual report.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

Neither the Company nor its subsidiaries have any plans to acquire and merge other companies in the most recent year or up to the date of publication of the annual report. If there is any plan for acquisition and merger in the future, we will fully consider the synergies of the merger in accordance with the relevant laws and regulations and with a prudent assessment attitude, so as to effectively protect the interests of shareholders.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The Company and its subsidiaries' current development strategy is to strengthen R&D capabilities, enhance competitive advantages, and expand the circular economy market. There is no plan to expand the factory in the most recent year or as of the date of publication of the annual report.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

1. Risks of and mitigation measures for consolidation of purchasing

For all environmental engineering projects and waste treatment projects undertaken by the Company and its subsidiaries, we have established multiple qualified suppliers. As the construction conditions and locations of each remediation project are different, and the related equipment and construction methods used also vary, the suppliers we cooperate with vary depending on the needs of the contracted project, the site of pollution and its scale. Therefore, there is no risk of excessive concentration of suppliers.

2. Risks of and mitigation measures for consolidation of sales

In 2021, the Company undertook the soil and groundwater pollution remediation project in the third district of Kaohsiung Refinery. As a result, the sales amount to New Construction Office, Public Works Bureau, Kaohsiung City Government accounted for 63.57%, 42.84%, 64.02% and 64.45% of the net operating revenue in 2022, 2023, 2024 and 2025, respectively. The Company engages in business in environmental protection service, mainly undertaking soil and water pollution remediation projects for government departments, state-owned enterprises, and private enterprises. The amounts of the contract prices are relatively large, and the construction periods are relatively long. Therefore, the number of projects that can be undertaken at the same time is limited, which makes it easy for sales to be consolidated. Once a project is completed as scheduled, the subsequent consolidation of sales will be resolved. This is due to the characteristics of the industry. Overall, the risk of sales concentration for the Company and its subsidiaries shall not have a significant adverse impact on their operations and development.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

In the most recent year and up to the date of publication of the annual report, there have been no major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands posing significant effect or risk to the operations of the Company and subsidiaries.

(XI) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

There has been no change in governance personnel or top management in the Company and the subsidiaries in the most recent year and up to the date of publication of the annual report.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities,

the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

F. Special items to be included

I. Information related to the company's affiliates in the most recent year

(I) Overview of affiliates

1. Organizational chart of affiliates



2. Basic information on each affiliate

Units: NT$ thousand; CNY thousand; HKD thousand

Company Name	Establishment date	Address	Paid-in capital	Main business or production items
Yushan Environmental Engineering Co., Ltd	82.11.09	30F-2, No. 80, Minzu 1st Road, Sanmin District, Kaohsiung City	NTD 337,470	Engaging in environmental protection engineering construction, waste treatment, environmental testing services, and engineering technical consulting, etc.
Yushan International Co., Ltd. (Note)	2018.03.01	Rm. 2401,24/F., 101 King's Road, Fortress Hill, Hong Kong	HKD 5,451	Investment business
Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	108.12.05	Room 2203,TBA International Business Plaza, No.399, Qianjin East Road, Kunshan Development Zone, Jiangsu, China.	RMB 4,951	Technical development and consulting services in the fields of environmental engineering, environmental equipment, and environmental technology

Note: On February 27, 2025, the Company's Board of Directors approved an adjustment to the investment structure of its subsidiary, Kunshan Yuchuan Environmental Protection Engineering Co., Ltd., by changing it to a direct investment as that the Company no longer holds shares through Yushan International Co., Ltd. Following the termination of its duty of holding a company, the subsidiary, Yushan International Co., Ltd., had no other business operations. The Company completed the liquidation and cancellation process in Hong Kong in July 2025.

3. Information on shareholders who are presumed to have a relationship of control or subordination: None.
4. The industries covered by the business operated by the affiliates overall, and a description of the mutual dealings and division of work among such affiliates:
   (1) Industries: Environmental protection engineering, waste treatment, environmental testing services and investment.
   (2) Division of work: None.
5. Information on directors, supervisors, and general managers of each affiliate

Company Name	Job title	Name or representative	Shareholding	
			Number of shares / Capital contribution	Shareholding ratio
Yushan Environmental Engineering Co., Ltd	Chairman	Liu, Yuan-Hong	997 thousand shares	2.95%
	Director	Ching Yun Investment Co., Ltd (Representative: Chang, Yu-Chi)	2,708 thousand shares	8.02%
	Director	Yeh, Chih-Hsiung	7 thousand shares	0.02%
	Director	GSD Enviro Tech (Taiwan) Co., Ltd. (Representative: Wu, Wu-Hsiung)	6,563 thousand shares	19.45%
	Director	Chuang, Shun	34 thousand shares	0.10%
	Independent Directors	Kong, Hui-Ping	-	-
	Independent Directors	Huang, Po-Hsin	-	-
	Independent Directors	Wu, Dai-Chang	-	-

	General Manager	Chang, Yu-Chi	819 thousand shares	2.70%
Yushan International Co., Ltd.	Director	Yushan Environmental Engineering Co., Ltd (Representative: Liu, Yuan-Hong)	700 thousand shares (Note 1)	100.00% (Note 1)
Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	Executive Director	Yushan Environmental Engineering Co., Ltd (Representative: Chang, Yu-Chi)	USD 698 thousand (Note 2)	100.00%
	Supervisor	Yushan Environmental Engineering Co., Ltd (Representative: Teng, Ya-Ning)		
	Managerial Officer	Yushan Environmental Engineering Co., Ltd (Representative: Guan, Chang-Sheng)		

Note 1: On February 27, 2025, the Company's Board of Directors approved an adjustment to the investment structure of its subsidiary, Kunshan Yuchuan Environmental Protection Engineering Co., Ltd., by changing it to a direct investment as that the Company no longer holds shares through Yushan International Co., Ltd. Following the termination of its duty of holding a company, the subsidiary, Yushan International Co., Ltd., had no other business operations. The Company completed the liquidation and cancellation process in Hong Kong in July 2025.

Note 2: It is in the form of "limited company," and therefore there are no shares.

6. Overview of the operations of the affiliates

Financial condition and operational results of each affiliate

Unit: NT$ thousand

Company Name	Amount of capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit or loss for the period (after tax)	Earnings per share (NT$) (After tax)
Yushan Environmental Engineering Co., Ltd	337,470	1,496,215	559,790	936,425	1,237,367	123,949	101,885	3.09
Yushan International Co., Ltd.	0	0	0	0	0	(33)	(3,569)	-
Kunshan Yuchuan Environmental Protection Engineering Co., Ltd.	22,489	22,898	676	22,222	2,959	(7,181)	(5,837)	-

(II) Consolidated financial statements of affiliates: Please refer to the Company's consolidated financial statements of 2025 published on the Market Observation Post System.

(III) Relationship Report: Not applicable.

II. Private placement of securities for the most recent year and up to the date of publication of the annual report: None.

III. Other matters that require additional description: None.

IV. The relevant information on announcements and report has been published and reported on the information reporting website designated by the Financial Supervisory Commission (FSC).https://mopsov.twse.com.tw/mops/web/index).

G. Any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.