

ECOVE

崑鼎投資控股股份有限公司
ECOVE Environment Corporation

Stock Code: 6803
Taiwan Stock Exchange Market
Observation Post System:
<http://mops.twse.com.tw>
ECOVE Website:
<http://www.ecove.com>

2023 Annual General Shareholders' Meeting Handbook (Translation)

Stock Code: 6803

Old Company English Name : KD Holding Corp.

ECOVE[●]
ECOVE Environment Corp.

2023 Annual General Shareholders' Meeting

Meeting Handbook
(Translation)

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

May 31, 2023

**No. 127, Sec.7, Zhongshan N. Rd., Taipei,
Mellow Fields Hotel 505 Room**

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ECOVE Environment Corporation
Procedure for the 2023 Annual General
Shareholders' Meeting

1. Call Meeting to Order (Report of Number of Shares Represented by Attendees)
2. Chairman's Remarks
3. Report Items
4. Ratification Items
5. Election Item
6. Discuss Items
7. Special Motions
8. Meeting Adjourned

**Agenda of 2023 Annual General Shareholders' Meeting
ECOVE Environment Corporation
(Translation)**

Time and Date of Meeting: 9:00 a.m., May 31, 2023

**Place of Meeting: No. 127, Sec.7, Zhongshan N. Rd., Taipei,
Mellow Fields Hotel 505 Room**

Convening method: entity shareholders meeting

1. Report Items

- (1) Business Report of 2022. (Please refer to page 13~page 15)
- (2) Audit committee's review report of 2022. (Please refer to page 38)
- (3) The directors' & employees' remuneration of 2022. (Please refer to page 39)
- (4) As at 31/12/2022, the aggregate amount of guarantees provided by the company was NT\$4,743,000 thousands and the highest amount for a single enterprise was NT\$2,170,000 thousands which are all under its respective ceiling. (Please refer to page 40)
- (5) Distribution of cash dividends report of 2022. (Please refer to page 41)

2. Ratification Items

(1) To Ratify 2022 Business Report, Financial Statements and Consolidated Financial Statements (Proposed by the Board of Directors)

Explanatory Notes :

The Company's 2022 business report, financial statements and consolidated financial statements have been approved by the Board of Directors, with the financial statements having been audited and certified by Mr. Fu-Ming Liao and Mr. Yi-Fan Lin, the CPA of the PricewaterhouseCoopers.

The above-mentioned documents subsequently examined by Audit Committee pursuant to Article 228 of the Company Act. The Business Report and Financial Statements are hereby submitted for ratification. (Please refer to page 13 to page 36)

Resolved :

(2) To Ratify the Company's Distribution of 2022 earnings (Proposed by the Board of Directors)

Explanatory Notes :

The Table for 2022 Estimated Profit Distribution is compiled as follows in accordance with the Company Act and Articles of Incorporation (Please refer to page 37) and has been approved by the Audit Committee and Board of Directors of the Company.

Resolved :

3. Election Item

(1) Election of the Company's 9th term Directors (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The planned tenure of the Company's 8th Directors expired on May 27, 2023. The Directors election will be held in the Annual General Meeting of 2023 thus the expiration of the current directors' tenure will end early on the election day and assumed their office.
- (2) Pursuant to Article 17 and 17-1 of the "Articles of Incorporation", it is proposed to elect 9 directors (including 3 independent directors) for the 9th term that is to be effective from May 31, 2023 to May 30, 2026.
- (3) The election is in accordance with "Rules Governing the Election of Directors".
- (4) According to the "Articles of Incorporation" of the company, the election of directors is based on a candidate nomination system, which is elected by the shareholders' meeting on the list of candidates. Please refer to the following table for the relevant information of the company's 9th director candidate.

Relevant information about the 9th director candidate of the company

Category	Candidate Name	Education	Experience	Present Position	Share
Direct	CTCI Corporation Rep. : J. J. Liao	- MBA, EMBA Program in Finance, National Taiwan University - M.S., Civil Engineering, National Central University - B.S., Environmental Engineering and Science, Feng-Chia University	- President, ECOVE Environment Corp. - Chairman, ECOVE Environmental Services Corp. - Chairman, ECOVE Wujih Energy Corp. - Chairman, ECOVE Miaoli Energy Corp. - Chairman, ECOVE Waste Management Corp. - Managing Director, ECOVE Environment Consulting Corp. - Director, SINO GAL Waste Services Co., Ltd. - Chairman, ECOVE Solar Energy Corp. - Director of CTCI Education Foundation. - Vice Chairman of BORETECH Resource Recovery Engineering Co., Ltd. (Cayman)	- Chairman, ECOVE Environment Corp. - Director, ECOVE Environmental Services Corp. - Director, ECOVE Wujih Energy Corp. - Director, ECOVE Miaoli Energy Corp. - Director, ECOVE Waste Management Corp. - Director, ECOVE Solar Energy Corp. - Director, ECOVE Solvent Recycling Corp. - Director, EVER ECOVE Corp - Director of Radium ECOVE Corp. - Director of Bao Ding Reclaimed Water Co., Ltd.	38,457,105

Category	Candidate Name	Education	Experience	Present Position	Share
Direct	CTCI Corporation Rep. : Yun-Peng Shih	-M.S., Civil Engineering, University of Washington -B.S., Environmental Engineering, National Chung Hsing University, Taiwan	-Leader, Environmental Protection Administration, Executive Yuan -Technical Specialist, Environmental Protection Administration, Executive Yuan -President, ECOVE Waste Management Corp. -President of ECOVE Solar Energy Corp. -Vice President, ECOVE Environment Corp.	-President & Director, ECOVE Environment Corp. -Chairman, ECOVE Environmental Services Corp. -Chairman, ECOVE Wujih Energy Corp. -Chairman, ECOVE Miaoli Energy Corp. -Chairman, ECOVE Waste Management Corp. -Director, SINOGAL-Waste Services Co., Ltd. -Director, BORETECH Resource Recovery Engineering Co., Ltd. (Cayman) -Chairman, Yuan Ding Resources Management Corp. -Chairman, ECOVE Solvent Recycling Corp. -Chairman, ECOVE Solar Energy Corp. -Chairman, ECOVE Solar Power Corp. -Chairman of ECOVE Resource Recycling Corporation -Director, ECOVE South Corp. Ltd.	38,457,105
Direct	Kuan Shen Wang	-Master in Management, S.M. of MIT Sloan School	-Executive Director, Goldman, Sachs & Co. -Supervisor of Chime Ball Technology Co., Ltd.	-Director, ECOVE Environment Corp. -Managing Director, United Capital Management -Independent Director, Quanta Storage Inc.	0
Direct	Bing Shen	-MBA, Harvard Business School	-Executive Director, Morgan Stanley Group -Executive Vice President, China Development Industrial Bank -President, CDIB & Partners Investment Holding Corp. -Independent Director, Far Eastern International Bank -Independent Director, Far Eastern New Century Corporation	-Director, ECOVE Environment Corp. -Independent Director, ELITE Material Co., Ltd. -Director, Oriental Union Chemical Corp.	0

Category	Candidate Name	Education	Experience	Present Position	Share
Direct	Yangming Liu	-Attorney at-law in Taiwan -Attorney at-law in China -EMBA National Taiwan University -L.L.B. Fujen Catholic University	-Arbitrator of CAAI -Arbitrator of SHIAC -Arbitrator of SCIA	-Director, ECOVE Environment Corp. -Senior Partner, LIU & Co. Law Offices -Managing Director, Sunshine Social Welfare Foundation -Director, Association of Cross-Strait Legal Exchange	0
Director	Eugene Chien	-Ph. D. Aeronautics and Astronautics, New York University, USA	-Minister of Foreign Affairs/Minister of Transportation and Communications -Minister of the Environmental Protection - Administration -Representative, Taipei Representative Office in the U.K./Legislator, Legislative Yuan (Parliament) -Professor and Dean, College of Engineering, Tamkang University	-Director, ECOVE Environment Corp. -Chairman, Taiwan Institute for Sustainable Energy(TAISE) -Chairman, CTCI Education Foundation -Independent Director, EVA Airways Corp. -Independent Director, Far Eastern Department Stores Ltd.	0

Relevant information about the 9th independent director candidate of the company

Category	Candidate Name	Education	Experience	Present Position	Have served as an independent director for 3 consecutive terms	Share
Independent Director	Shuh Woei Yu	<ul style="list-style-type: none"> - Doctor of Engineering, Tulane University - Bachelor of Science, Department of Chemical Engineering, National Taiwan University 	<ul style="list-style-type: none"> - General Director, Center for Environmental Safety and Health Technology Development, Industrial Technology Research Institute - General Director, Center for Industrial Safety and Health Technology Development, Industrial Technology Research Institute - Professor, Graduate Institute of Environmental Engineering, National Central University - Professor, Department of Chemical Engineering, National Central University 	<ul style="list-style-type: none"> - Independent Director, ECOVE Environment Corp. - Chairman, Safety and Health Technology Center 	No	0
Independent Director	Shan-Shan Chou	<ul style="list-style-type: none"> - Doctor, Institute of Environmental Engineering, National Chiao Tung University 	<ul style="list-style-type: none"> - Chairman, WaterPark Environment Corporation - Director, Industrial Technology Research Institute Adjunct Associate - Associate Professor, College of Engineering, National Chiao Tung University - Chairman, KuanShan WaterPark Environmental Protection Technology Co., Ltd. 	<ul style="list-style-type: none"> - Independent Director, ECOVE Environment Corp. - Independent Director, GSD Technologies Co., Ltd. - Executive Director, Environmental Technology & Smart System Research Center, National Yang Ming Chiao Tung University - General Secretary, Water Affairs Organization, Taiwan 	No	0

Category	Candidate Name	Education	Experience	Present Position	Have served as an independent director for 3 consecutive terms	Share
Independent Director	James Tsai	<ul style="list-style-type: none"> -Master in Accounting, Graduate Institute of Accounting, National Chengchi University -Master in Law, College of Law, National Chengchi University 	<ul style="list-style-type: none"> -Vice CEO, CEO, Deputy Chairman, PricewaterhouseCoopers, Taiwan -President, PricewaterhouseCoopers Management Consulting Company Ltd. -Vice Chairman, Fuh Hwa Securities Investment Trust Co., Ltd. -Managing Director, Accounting Research and Development Foundation, and Chairman, Auditing Standards Committee -Director and Managing Director, Taiwan Corporate Governance Association -Consultant, Public Service Pension Fund Supervisory Board 	<ul style="list-style-type: none"> -Independent Director, ECOVE Environment Corp. -Associate Professor, Department of Accounting, National Chengchi University -Board Director, Trans Globe Life Insurance Inc. -Chairman, Jia Guang Enterprise Co., Ltd. -Chairman, Wan Shi Da Enterprise Co., Ltd. -Board Director, Orient Recreation and Development Corp. -Board Director, FCB Leasing Co., Ltd. -Board Director, FCB International Leasing Co., Ltd. -Board Director, Tuntex Incorporation -Independent Director of the Board, Tanvex BioPharma, Inc. -Independent Director of the Board, Sunny Friend Environmental Technology Co., Ltd. -Independent Director of the Board, Chien Kuo Construction Co., Ltd. 	No	0

Result of the Election :

4. Discuss Items

(1) To approve the lifting of newly-elected directors of non-competition restrictions (Proposed by the Board of Directors)

Explanatory Notes :

- (1) Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such and act and secure its approval.
- (2) It is proposed the shareholders' meeting to approve the lifting of newly-elected directors of non-competition restrictions from the date the newly-elected directors taking office.

Category	Candidate Name	Competitive conduct to be released
Director	CTCI Corporation Rep. : J. J. Liao	-Director, ECOVE Environmental Services Corp. -Director, ECOVE Wujih Energy Corp. -Director, ECOVE Miaoli Energy Corp. -Director, ECOVE Waste Management Corp. -Director, ECOVE Solar Energy Corp. -Director, ECOVE Solvent Recycling Corp. -Director, EVER ECOVE Corp -Director of Radium ECOVE Corp. -Director of Bao Ding Reclaimed Water Co., Ltd.
Director	CTCI Corporation Rep. : Y. P. Shih	-Chairman, ECOVE Environmental Services Corp. -Chairman, ECOVE Wujih Energy Corp. -Chairman, ECOVE Miaoli Energy Corp. -Chairman, ECOVE Waste Management Corp. -Director, SINO GAL-Waste Services Co., Ltd. -Director, BORETECH Resource Recovery Engineering Co., Ltd. (Cayman) -Chairman, Yuan Ding Resources Management Corp. -Chairman, ECOVE Solvent Recycling Corp. -Chairman, ECOVE Solar Energy Corp. -Chairman, ECOVE Solar Power Corp. -Chairman of ECOVE Resource Recycling Corporation -Director, ECOVE South Corp. Ltd.
Director	Kuan Shen Wang	-Managing Director, United Capital Management -Independent Director, Quanta Storage Inc.
Director	Bing Shen	- Independent Director, ELITE Material Co., Ltd. - Director, Oriental Union Chemical Corp.

Category	Candidate Name	Competitive conduct to be released
Director	Yangming Liu	-Senior Partner, LIU & Co. Law Offices -Managing Director, Sunshine Social Welfare Foundation -Director, Association of Cross-Strait Legal Exchange
Director	Eugene Chien	-Chairman, Taiwan Institute for Sustainable Energy(TAISE) -Chairman, CTCI Education Foundation -Independent Director, EVA Airways Corp. -Independent Director, Far Eastern Department Stores Ltd.
Independent Director	Shuh Woei Yu	-Chairman, Safety and Health Technology Center
Independent Director	Shan-Shan Chou	- Independent Director, GSD Technologies Co., Ltd. -Executive Director, Environmental Technology & Smart System Research Center, National Yang Ming Chiao Tung University -General Secretary, Water Affairs Organization, Taiwan
Independent Director	James Tsai	-Associate Professor, Department of Accounting, National Chengchi University -Board Director, Trans Globe Life Insurance Inc. -Chairman, Jia Guang Enterprise Co., Ltd. -Chairman, Wan Shi Da Enterprise Co., Ltd. -Board Director, Orient Recreation and Development Corp. -Board Director, FCB Leasing Co., Ltd. -Board Director, FCB International Leasing Co., Ltd. -Board Director, Tuntex Incorporation -Independent Director of the Board, Tanvex BioPharma, Inc. -Independent Director of the Board, Sunny Friend Environmental Technology Co., Ltd. -Independent Director of the Board, Chien Kuo Construction Co., Ltd.

Resolved :

(2) To approve the amendment of the Company's "The Procedure for Acquisition and Disposal of Assets" (Proposed by the Board of Directors)

Explanatory Notes:

Please refer to page 42 for the comparison table between the existing provisions and amendments of "The Procedure for Acquisition and Disposal of Assets".

Resolved:

(3) To approve the amendment of the company's "Articles of Incorporation" (Proposed by the Board of Directors)

Explanatory Notes :

Please refer to page 44 to 50 for the comparison table between the existing provisions and amendments of "Articles of Incorporation".

Resolved :

5. Special Motion

6. Meeting Adjourned

ECOVE ENVIRONMENT CORPORATION

Business Report of 2022

From 2022/01/01 to 2022/12/31

1、Business Performance:

For the year end of 2022, the standalone operating revenue was NT\$1,044,850 thousands, the consolidated operating revenue was NT\$7,030,160 thousands, and the consolidated profit after tax was NT\$1,045,026 thousands.

Consolidated operating revenue breakdown is as follows:

(Unit : NT\$ thousands)

Sales of Electricity	2,459,914
Waste Disposal Revenues	2,197,886
Mechatronic Maintenance Revenues	1,439,553
Service Concession Revenues	541,569
Removal & Trans. Revenues	229,534
Others	161,704
Total	7,030,160

2、Performance Review :

Compared to year of 2021, the consolidated operating revenue of the year 2022 is increased by NT\$1,074,910 thousands to NT\$7,030,160 thousands. The main reasons come from the new projects of subsidiary ESC and SEC.

Consolidated and standalone operating revenue breakdown is as follows:

(Unit : NT\$ thousands)

Consolidated Operating Revenues for 2022	7,030,160
Consolidated Operating Revenues for 2021	5,955,250
Increase from 2021 to 2022	1,074,910
Percentage of increase	18.05%
Operating Revenues for 2022	1,044,850
Operating Revenues for 2021	923,898
Increase from 2021 to 2022	120,952
Percentage of increase	13.09%
Net Profit After Tax for 2022	1,045,026
Net Profit After Tax for 2021	910,816
Increase from 2021 to 2022	134,210
Percentage of increase	14.74%

3、Business Outlook of Year 2023：

Looking back 2022, for business promotion and execution, ECOVE followed a path of sustainable growth focusing on both the current business it has and new opportunities. Even with the impact of COVID-19, ECOVE, through proper internal management and support from its supply chain, was able to maintain stable operation. For the expansion on each business field, its staff didn't go easy on themselves either and still secured several big projects. In the field of EfW and M&E maintenance, it was awarded the new projects such as the O&M and revamping works for Changhua Xizhou EfW plant, and the ROT of Kaohsiung Gangshan EfW plant etc., and we also obtained plant system maintenance work from an international semiconductor key equipment supplier, and successfully entered the high-tech plant M&E maintenance industry. In the field of recycling and reuse, not only the waste solvent recycling business is committed to obtaining more high-tech clients, but also the operating plant is committed to reducing carbon emissions and obtaining carbon neutral certification, becoming the first facility in Taiwan to have both carbon neutrality and circular economy dual certification. As for renewable energy, having been actively pursuing both public and private cases, the development amount of rooftop type, ground type and water surfaces type has continued to increase, and the maintenance work has also been extended to external clients. Looking into the future, ECOVE will develop the three main business fields with following strategies to make the Group develop sustainably and expand internationally.

A. Waste Management

Domestically, in addition to solidifying our current businesses, we will also start to assist the coming commissioning for Taoyuan Biomass Center and the O&M services afterwards. Also, in response to the government's project of EfW plant life extension and diversified waste treatment, we have been making use the experience of circular economy integration model from Taoyuan Biomass Center and introducing mature technologies from overseas to provide for the government total solutions. Also, we actively explore new opportunities and participate in government's projects. In addition, under the trend of net zero carbon emissions, innovative technologies will also be introduced, and more efforts will be made to reduce carbon emissions, and use the internal execution experience to transform it into the basis for external opportunities acquisition. M&E maintenance services will also follow the trend of domestic rail transit infrastructure construction and high-tech expansion of factories, etc., to acquire more projects. As for overseas markets, we keep developing business in ASEAN, China, and India by expressing our willingness to local governments that we are happy to cooperate with the local or foreign companies which have complementarity. Moreover, ECOVE actively participated in relevant forums and followed government's southbound policy, replicating successful PPP (BOT) business model and the mature O&M (including ROT) capabilities for overseas market.

B. Recycling and Reuse

When maintaining stable operation of waste solvent recycling business, after the reaching of the operating period on Industrial Development Bureau's single case to reuse qualification, we will further apply for the general cases to reuse qualification to expand more sources of supply. With the successful experience in waste solvent recycling and reuse, we will keep evaluating our competitiveness and exploring more recycling opportunities from hi-tech industries, further building factories overseas with it, as to obtain additional opportunities. In the field of water resource recycling, we will utilize our O&M experience from Linkou Water Resource Center for the water reclamation plant that is soon to be constructed by Group, and we will further combine Group's resources to pursue other investment and O&M opportunities in water reclamation and seawater desalination from the government. As for the recycling and reuse of other resources, we will constantly study domestic and overseas technical resources and evaluate feasible business models. Driven by the wave of circular economy and net zero carbon emissions, explore more project opportunities in the fields of industry or livelihood. Also, we will self-develop or evaluate targets for merging.

C. Renewable Energy

For the domestic market of solar power, in addition to maintaining stable operation for current projects, we will be dedicated to commencing the operation of new projects in time. As for business expansion, continuing the government's solar power policy, we actively expand the development amount, including roof, ground, water surface, or symbiosis of agriculture, fishing and electricity, and the field includes public and private departments, etc. In addition, we combine with the resources of external partners, carefully evaluate and actively acquire for the development of large-scale projects. In the maintenance of solar power facilities, we will use our long-term accumulated experience to optimize work efficiency. In addition to improving the work performance of our own project sites, we will also use our advantages to get more external clients. Moreover, as for electricity liberalization, there are many opportunities derived from loosen legal restrictions and enterprises' needs in green power, so we will actively explore the market and discover diverse and innovative new business model possibilities. About overseas market, while maintaining stable operation for the current project in the US, we will, as per their policies and laws on green energy, keep exploring appropriate targets in developed and developing countries.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE Environment Corp.

Opinion

We have audited the accompanying consolidated balance sheets of ECOVE Environment Corporation and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent auditors, as described in the other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context

of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of the Group's 2022 consolidated financial statements are as follows:

Accuracy of service revenue

Description

Refer to Note 4(29) for accounting policies on operating revenue and Note 6(24) for details of operating revenue.

Operating revenue mainly arises from service revenue and electricity sales revenue. The service revenue mainly arises from contracts entered into with certain governments (grantors) that involve charging for the service per unit in accordance with contracts. The cash amount of service revenue was NT\$2,667,366 thousand, constituting 38% of operating revenue for the year ended December 31, 2022. As the determination of this type of revenue is subject to manual calculation, we considered the accuracy of service revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the procedures of waste treatment and tested relevant internal controls, including randomly checking the actual amount of disposals that are treated at the waste treatment plant monthly, the consistency of monthly statements that management used in calculating revenue, and the consistency between service fees per unit and contract.
- B. Verified the accuracy of statements that management used in calculating revenue, including the amount of disposals treated and the service fees per unit, recalculated the accuracy of cash amount and ascertained whether it was in agreement with recorded revenue.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investees accounted for using equity method that are included in the consolidated financial statements. The balance of these investments accounted for using equity method was NT\$272,913 thousand and NT\$81,879 thousand, constituting 2% and 0.7% of consolidated total assets as of December 31, 2022 and 2021, respectively, and the share of profit (loss)

of

associates and joint ventures accounted for using equity method was NT\$11,034 thousand and (NT\$1,785) thousand, constituting 0.8% and (0.16%) of consolidated total comprehensive income for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent auditors.

Other matter - non-consolidated financial statements

We have audited and expressed an unqualified opinion with *Other matter* section on the non-consolidated financial statements of ECOVE Environment Corporation as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

solely responsible for our audit opinion.

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

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

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



Liao, Fu-Ming



Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,611,740	12	\$ 1,216,106	10
1110	Financial assets at fair value through profit or loss - current	6(2)	1,522,915	12	1,072,745	9
1120	Current financial assets at fair value through other comprehensive income	6(3)	113,614	1	144,983	1
1136	Current financial assets at amortised cost	6(4)	138,333	1	421,908	3
1140	Current contract assets	6(24) and 7	642,206	5	620,662	5
1150	Notes receivable, net		6	-	667	-
1170	Accounts receivable, net	6(5)	813,356	6	1,034,775	8
1180	Accounts receivable - related parties, net	7	20,724	-	6,348	-
1200	Other receivables		4,928	-	2,516	-
1210	Other receivables - related parties	7	64	-	272,541	2
1220	Current tax assets		31,598	-	-	-
130X	Inventories		100,681	1	82,906	1
1410	Prepayments	6(6)	129,210	1	94,559	1
11XX	Total current assets		<u>5,129,375</u>	<u>39</u>	<u>4,970,716</u>	<u>40</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	50,068	-	543	-
1550	Investments accounted for using equity method	6(7)	739,380	6	504,507	4
1600	Property, plant and equipment, net	6(8) and 8	4,303,398	32	3,896,431	32
1755	Right-of-use assets	6(9)	278,458	2	208,430	2
1780	Intangible assets	6(10)	955,261	7	1,014,402	8
1840	Deferred income tax assets	6(31)	35,379	-	31,442	-
1900	Other non-current assets	6(11) and 8	1,797,188	14	1,658,388	14
15XX	Total non-current assets		<u>8,159,132</u>	<u>61</u>	<u>7,314,143</u>	<u>60</u>
1XXX	Total assets		<u>\$ 13,288,507</u>	<u>100</u>	<u>\$ 12,284,859</u>	<u>100</u>

(Continued)

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 360,000	3	\$ 498,000	4
2110	Short-term notes and bills payable	6(13)	-	-	39,969	1
2130	Current contract liabilities	6(24)	100,304	1	22,284	-
2150	Notes payable		4,660	-	7,494	-
2170	Accounts payable	6(14)	1,327,844	10	844,165	7
2180	Accounts payable - related parties	7	12,649	-	34,206	-
2200	Other payables	6(15)	447,174	3	544,480	5
2220	Other payables - related parties	7	268,526	2	8,174	-
2230	Income tax liabilities		271,498	2	290,614	3
2280	Current lease liabilities	7	40,913	-	35,181	-
2320	Long-term liabilities, current portion	6(17)	52,288	1	36,936	-
2399	Other current liabilities		42,348	-	38,698	-
21XX	Total current liabilities		<u>2,928,204</u>	<u>22</u>	<u>2,400,201</u>	<u>20</u>
	Non-current liabilities					
2527	Non-current contract liabilities	6(24)	711,552	5	888,190	7
2530	Bonds payable	6(16)	1,991,381	15	1,988,845	16
2540	Long-term borrowings	6(17)	-	-	85,824	1
2570	Deferred income tax liabilities		134,206	1	151,859	1
2580	Non-current lease liabilities	7	225,217	2	155,681	1
2600	Other non-current liabilities	6(18)	868,606	7	717,897	6
25XX	Total non-current liabilities		<u>3,930,962</u>	<u>30</u>	<u>3,988,296</u>	<u>32</u>
2XXX	Total liabilities		<u>6,859,166</u>	<u>52</u>	<u>6,388,497</u>	<u>52</u>
	Equity attributable to owners of parent					
	Share capital	6(21)				
3110	Common stock		704,579	5	695,170	6
3140	Advance receipts for share capital		2,334	-	857	-
	Capital surplus	6(22)				
3200	Capital surplus		2,626,341	20	2,421,348	20
	Retained earnings	6(23)				
3310	Legal reserve		940,121	7	848,366	7
3320	Special reserve		14,895	-	23,272	-
3350	Unappropriated retained earnings		1,622,165	12	1,490,020	12
	Other equity interest					
3400	Other equity interest		16,017	-	(14,895)	(1)
3500	Treasury shares	6(21)	(57)	-	(57)	-
31XX	Equity attributable to owners of the parent		<u>5,926,395</u>	<u>44</u>	<u>5,464,081</u>	<u>44</u>
36XX	Non-controlling interest	4(3)	502,946	4	432,281	4
3XXX	Total equity		<u>6,429,341</u>	<u>48</u>	<u>5,896,362</u>	<u>48</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 13,288,507</u>	<u>100</u>	<u>\$ 12,284,859</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24) and 7	\$ 7,030,160	100	\$ 5,955,250	100
5000	Operating costs	6(29)(30) and 7	(5,444,710)	(78)	(4,511,035)	(76)
5900	Gross profit		1,585,450	22	1,444,215	24
	Operating expenses	6(29)(30) and 7				
6200	General and administrative expenses		(165,428)	(2)	(174,178)	(3)
6000	Total operating expenses		(165,428)	(2)	(174,178)	(3)
6900	Operating profit		1,420,022	20	1,270,037	21
	Non-operating income and expenses					
7100	Interest income	6(25) and 7	9,208	-	3,459	-
7010	Other income	6(26) and 7	34,295	-	40,566	1
7020	Other gains and losses	6(27)	7,149	-	2,374	-
7050	Finance costs	6(28) and 7	(26,979)	-	(23,516)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	74,398	1	59,902	1
7000	Total non-operating income and expenses		98,071	1	82,785	2
7900	Profit before income tax		1,518,093	21	1,352,822	23
7950	Income tax expense	6(31)	(239,931)	(3)	(275,075)	(5)
8200	Profit for the year		\$ 1,278,162	18	\$ 1,077,747	18
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(19)	\$ 6,482	-	\$ 8,313	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(29,583)	-	15,501	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method		121	-	54	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(1,427)	-	(1,683)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		75,051	1	(10,516)	-
8300	Total other comprehensive income (loss) for the year		\$ 50,644	1	(\$ 11,669)	-
8500	Total comprehensive income for the year		\$ 1,328,806	19	\$ 1,089,416	18
	Profit attributable to:					
8610	Owners of the parent		\$ 1,045,026	15	\$ 910,816	15
8620	Non-controlling interest		233,136	3	166,931	3
	Total		\$ 1,278,162	18	\$ 1,077,747	18
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,081,110	15	\$ 925,928	15
8720	Non-controlling interest		247,696	4	163,488	3
	Total		\$ 1,328,806	19	\$ 1,089,416	18
	Earnings per share (in dollars):	6(32)				
9750	Basic earnings per share		\$ 14.91		\$ 13.15	
9850	Diluted earnings per share		\$ 14.85		\$ 13.00	

The accompanying notes are an integral part of these consolidated financial statements.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Capital			Retained Earnings				Other Equity Interest			Non-controlling interest	Total equity	
	Notes	Common stock	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			Total
<u>Year ended December 31, 2021</u>													
Balance at January 1, 2021		\$ 689,762	\$ 524	\$ 2,310,642	\$ 764,812	\$ -	\$ 1,438,777	(\$ 53,716)	\$ 30,444	(\$ 57)	\$ 5,181,188	\$ 469,255	\$ 5,650,443
Profit for the year		-	-	-	-	-	910,816	-	-	-	910,816	166,931	1,077,747
Other comprehensive income (loss)		-	-	-	-	-	6,735	(7,124)	15,501	-	15,112	(3,443)	11,669
Total comprehensive income		-	-	-	-	-	917,551	(7,124)	15,501	-	925,928	163,488	1,089,416
Appropriations of 2020 earnings	6(23)												
Legal reserve		-	-	-	83,554	-	(83,554)	-	-	-	-	-	-
Special reserve		-	-	-	-	23,272	(23,272)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(759,482)	-	-	-	(759,482)	(200,557)	(960,039)
Share-based payment transactions	6(20)(22)	-	-	23,066	-	-	-	-	-	-	23,066	95	23,161
Employee stock options exercised	6(21)(22)	4,884	857	87,255	-	-	-	-	-	-	92,996	-	92,996
Adjustments of changes in investments accounted for using equity method	6(7)	-	-	385	-	-	-	-	-	-	385	-	385
Advance receipts for share capital transferred to share capital		524	(524)	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021		<u>\$ 695,170</u>	<u>\$ 857</u>	<u>\$ 2,421,348</u>	<u>\$ 848,366</u>	<u>\$ 23,272</u>	<u>\$ 1,490,020</u>	<u>(\$ 60,840)</u>	<u>\$ 45,945</u>	<u>(\$ 57)</u>	<u>\$ 5,464,081</u>	<u>\$ 432,281</u>	<u>\$ 5,896,362</u>
<u>Year ended December 31, 2022</u>													
Balance at January 1, 2022		\$ 695,170	\$ 857	\$ 2,421,348	\$ 848,366	\$ 23,272	\$ 1,490,020	(\$ 60,840)	\$ 45,945	(\$ 57)	\$ 5,464,081	\$ 432,281	\$ 5,896,362
Profit for the year		-	-	-	-	-	1,045,026	-	-	-	1,045,026	233,136	1,278,162
Other comprehensive income (loss)		-	-	-	-	-	5,172	60,495	(29,583)	-	36,084	14,560	50,644
Total comprehensive income (loss)		-	-	-	-	-	1,050,198	60,495	(29,583)	-	1,081,110	247,696	1,328,806
Appropriations of 2021 earnings	6(23)												
Legal reserve		-	-	-	91,755	-	(91,755)	-	-	-	-	-	-
Special reserve		-	-	-	-	(8,377)	8,377	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(834,675)	-	-	-	(834,675)	(177,108)	(1,011,783)
Share-based payment transactions	6(20)(22)	-	-	12,105	-	-	-	-	-	-	12,105	56	12,161
Employee stock options exercised	6(21)(22)	8,552	2,334	162,389	-	-	-	-	-	-	173,275	-	173,275
Employee restricted stocks	6(22)	-	-	3,517	-	-	-	-	-	-	3,517	21	3,538
Adjustments of changes in investments accounted for using equity method	6(7)	-	-	26,982	-	-	-	-	-	-	26,982	-	26,982
Advance receipts for share capital transferred to share capital		857	(857)	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022		<u>\$ 704,579</u>	<u>\$ 2,334</u>	<u>\$ 2,626,341</u>	<u>\$ 940,121</u>	<u>\$ 14,895</u>	<u>\$ 1,622,165</u>	<u>(\$ 345)</u>	<u>\$ 16,362</u>	<u>(\$ 57)</u>	<u>\$ 5,926,395</u>	<u>\$ 502,946</u>	<u>\$ 6,429,341</u>

The accompanying notes are an integral part of these consolidated financial statements.

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,518,093	\$ 1,352,822
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(29)	318,566	286,955
Depreciation - right-of-use assets	6(9)(29)	43,732	29,252
Amortization	6(29)	72,636	20,720
Interest expense	6(28)	25,058	22,757
Interest expense - lease liability	6(9)(28)	1,921	759
Dividend income	6(26)	(3,030)	(10,159)
Interest income	6(25)	(9,208)	(3,459)
Salary expense - employee stock options	6(20)(30)	12,161	23,161
Salary expense - employee restricted stocks	6(30)	3,538	-
Gain on valuation of financial assets	6(27)	(5,268)	(3,891)
Loss from lease modification	6(27)	87	727
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(74,398)	(59,902)
Gain on disposal of investments	6(27)	(543)	-
Gain on disposal of property, plant and equipment	6(27)	(100)	(814)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(415,213)	330,836
Current contract assets		(21,544)	(107,929)
Notes receivable, net		661	(579)
Accounts receivable, net		221,419	(194,675)
Accounts receivable - related parties, net		(14,376)	(6,348)
Other receivables		(1,816)	(1,571)
Other receivables - related parties		387	(398)
Inventories		(17,775)	(7,979)
Prepaid expenses		(34,651)	4,960
Other non-current assets		314,877	359,420
Changes in operating liabilities			
Current contract liabilities		(98,618)	12,555
Notes payable		(2,834)	7,471
Accounts payable		483,679	149,454
Accounts payable - related parties		(21,557)	17,185
Other payables		6,014	39,410
Other payables - related parties		282	5,597
Other current liabilities		3,650	4,462
Other non-current liabilities		11,684	(13,559)
Cash inflow generated from operations		2,317,514	2,257,240
Interest received		7,814	2,136
Dividends received		57,910	43,684
Interest paid		(23,762)	(17,409)
Income tax paid		(316,393)	(276,167)
Net cash flows from operating activities		<u>2,043,083</u>	<u>2,009,484</u>

(Continued)

ECOVE ENVIRONMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 2,261	\$ -
Acquisition of non-current financial assets at fair value through other comprehensive income		(50,000)	-
Decrease (increase) in financial assets at amortised cost		283,575	(312,983)
Decrease (increase) in other receivables - related parties		264,000	(234,000)
Interest received		966	1,149
Increase in investments accounted for using equity method	6(7)	(180,000)	-
Acquisition of property, plant and equipment	6(33)	(420,658)	(36,398)
Proceeds from disposal of property, plant and equipment		100	1,920
Decrease (increase) in refundable deposits		29,969	(34,337)
Increase in other non-current assets	6(33)	(787,246)	(523,573)
Net cash flows used in investing activities		(857,033)	(1,138,222)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term loans		(138,000)	33,300
Decrease in short-term notes payable		(39,969)	(107,956)
Proceeds from issuing bonds		-	1,987,324
Proceeds from long-term loans		-	69,455
Repayment of long-term loans		(83,886)	(1,339,994)
Repayment of lease liabilities		(40,531)	(23,203)
Increase in other payables - related parties		260,000	-
Increase in deposits received (shown in other non-current liabilities)		90,478	59,336
Cash dividends paid		(1,011,783)	(960,039)
Employee stock options exercised		173,275	92,996
Net cash flows used in financing activities		(790,416)	(188,781)
Net increase in cash and cash equivalents		395,634	682,481
Cash and cash equivalents at beginning of year		1,216,106	533,625
Cash and cash equivalents at end of year		\$ 1,611,740	\$ 1,216,106

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE ENVIRONMENT CORPORATION

Opinion

We have audited the accompanying non-consolidated balance sheets of ECOVE Environment Corporation (the "Company") as of December 31, 2022 and 2021, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent auditors, as described in the other matter section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 non-consolidated financial statements. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of the Company's 2022 non-consolidated financial statements are as follows:

Accuracy of service revenue recognition of subsidiaries accounted for using the equity method

For the year ended December 31, 2022, the Company assessed its investments in subsidiaries, ECOVE Wujih Energy Corp., ECOVE Environmental Services Corp., ECOVE Waste Management Corp., ECOVE Miaoli Energy Corp. and second-tier subsidiary, SINOGAL-Waste Services Co., Ltd., and ECOVE Environment Services Gangshan Corporation. As the accuracy of operating revenue recognition was material to the financial statements of each subsidiaries and second-tier subsidiary, which in turn affected the investment profit or loss recognised by the Company. Thus, we considered the accuracy of service revenue of subsidiaries accounted for using the equity method as a key audit matter.

Description

Refer to Note 4(29) for accounting policies on operating revenue.

Operating revenue mainly arises from service revenue and electricity sales revenue. The service revenue mainly arises from contracts entered into with certain governments (grantors) that involve charging for the service per unit in accordance with contracts and self-undertook services. As the related revenue is the main operating income of each subsidiary and the investment income or loss is material to the financial statements, we considered the accuracy of service revenue of subsidiaries a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter of the Company's subsidiary and second-tier subsidiary:

- A. Obtained an understanding of the procedures of waste treatment and tested relevant internal controls, including randomly checking the actual amount of disposals that are treated at the waste treatment plant monthly, the consistency of monthly statements that management used in calculating revenue, and the consistency between service fees per unit and contract.
- B. Verified the accuracy of statements that management used in calculating revenue, including the amount of disposals treated and the service fees per unit, recalculating the accuracy of cash amount and ascertained whether it was in agreement with recorded revenue.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investees accounted for using equity method that are included in the non-consolidated financial statements. The balance of the investees accounted for using equity method was NT\$272,913 thousand and NT\$81,879 thousand, constituting 3% and 1% of non-consolidated total assets as of December 31, 2022 and 2021, respectively, and share of loss of associates and joint ventures accounted for using equity method of NT\$11,034 thousand and (NT\$1,785) thousand, constituting 1% and (0.2%) of non-consolidated total comprehensive income for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent auditors.

Responsibilities of management and those charged with governance for the non-consolidated financial statements

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

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

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

Auditors’ responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic

of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

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

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

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

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

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



Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 2023



Lin, Yi-Fan

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 58,149	1	\$ 74,365	1
1110	Financial assets at fair value through profit or loss - current	6(2)	701,463	9	659,517	9
1120	Current financial assets at fair value through other comprehensive income	6(3)	20,041	-	25,578	-
1136	Current financial assets at amortised cost	6(4)	-	-	152,000	2
1200	Other receivables		14	-	317	-
1210	Other receivables - related parties	7	1,954,456	24	1,875,080	25
11XX	Total current assets		<u>2,734,123</u>	<u>34</u>	<u>2,786,857</u>	<u>37</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	68	-	543	-
1550	Investments accounted for using equity method	6(5)	5,237,725	66	4,717,294	63
1755	Right-of-use assets	6(6)	639	-	713	-
1920	Guarantee deposits paid	8	17	-	17	-
15XX	Total non-current assets		<u>5,238,449</u>	<u>66</u>	<u>4,718,567</u>	<u>63</u>
1XXX	Total assets		<u>\$ 7,972,572</u>	<u>100</u>	<u>\$ 7,505,424</u>	<u>100</u>

(Continued)

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		\$ 481	-	\$ -	-
2200	Other payables		26,289	1	28,363	1
2220	Other payables - related parties	7	5,276	-	5,324	-
2230	Current income tax liabilities		6,461	-	13,441	-
2280	Current lease liabilities	7	73	-	66	-
21XX	Current Liabilities		<u>38,580</u>	<u>1</u>	<u>47,194</u>	<u>1</u>
Non-current liabilities						
2530	Bonds payable	6(7)	1,991,381	25	1,988,845	26
2570	Deferred tax liabilities	6(18)	9,686	-	-	-
2580	Non-current lease liabilities	7	568	-	640	-
2640	Accrued pension liabilities	6(8)	5,962	-	4,664	-
25XX	Non-current liabilities		<u>2,007,597</u>	<u>25</u>	<u>1,994,149</u>	<u>26</u>
2XXX	Total Liabilities		<u>2,046,177</u>	<u>26</u>	<u>2,041,343</u>	<u>27</u>
Equity						
Share capital						
		6(10)				
3110	Common stock		704,579	9	695,170	9
3140	Advance receipts for share capital		2,334	-	857	-
		6(11)	Capital surplus			
3200	Capital surplus		2,626,341	33	2,421,348	33
		6(12)	Retained earnings			
3310	Legal reserve		940,121	12	848,366	11
3320	Special reserve		14,895	-	23,272	-
3350	Unappropriated retained earnings		1,622,165	20	1,490,020	20
Other equity interest						
3400	Other equity interest		16,017	-	(14,895)	-
3500	Treasury shares	6(10)	(57)	-	(57)	-
3XXX	Total equity		<u>5,926,395</u>	<u>74</u>	<u>5,464,081</u>	<u>73</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 7,972,572</u>	<u>100</u>	<u>\$ 7,505,424</u>	<u>100</u>

The accompanying notes are an integral part of these non-consolidated financial statements.

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(5)	\$ 1,044,850	100	\$ 923,898	100
5900	Gross profit		1,044,850	100	923,898	100
	Operating expenses	6(16)(17) and 7				
6200	General and administrative expenses		(47,927)	(4)	(50,715)	(6)
6000	Total operating expenses		(47,927)	(4)	(50,715)	(6)
6900	Operating profit		996,923	96	873,183	94
	Non-operating income and expenses					
7100	Interest income	6(13) and 7	20,128	2	8,238	1
7010	Other income	6(14) and 7	56,330	5	50,931	6
7020	Other gains and losses	6(15)	2,948	-	1,234	-
7050	Finance costs	6(6)(7) and 7	(14,640)	(1)	(8,717)	(1)
7000	Total non-operating income and expenses		64,766	6	51,686	6
7900	Profit before income tax		1,061,689	102	924,869	100
7950	Income tax expense	6(18)	(16,663)	(2)	(14,053)	(2)
8200	Profit for the year		\$ 1,045,026	100	\$ 910,816	98
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on defined	6(8)	(\$ 653)	-	(\$ 103)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(3,751)	(1)	2,736	1
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(20,007)	(2)	19,603	2
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(24,411)	(3)	22,236	3
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		60,495	6	(7,124)	(1)
8300	Other comprehensive income for the year		\$ 36,084	3	\$ 15,112	2
8500	Total comprehensive income for the year		\$ 1,081,110	103	\$ 925,928	100
	Earnings per share(in dollars)	6(19)				
9750	Basic earnings per share		\$ 14.91		\$ 13.15	
9850	Diluted earnings per share		\$ 14.85		\$ 13.00	

The accompanying notes are an integral part of these parent company only financial statements.

ECOVE Environment Corp.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital			Retained Earnings			Equity interest			Treasury shares	Total equity
		Share capital - common stock	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
<u>Year ended December 31, 2021</u>												
Balance at January 1, 2021		\$ 689,762	\$ 524	\$ 2,310,642	\$ 764,812	\$ -	\$ 1,438,777	(\$ 53,716)	\$ 30,444	(\$ 57)	\$ 5,181,188	
Profit for the year		-	-	-	-	-	910,816	-	-	-	910,816	
Other comprehensive income (loss)		-	-	-	-	-	6,735	(7,124)	15,501	-	15,112	
Total comprehensive income		-	-	-	-	-	917,551	(7,124)	15,501	-	925,928	
Appropriations of 2020 earnings	6(12)											
Legal reserve		-	-	-	83,554	-	(83,554)	-	-	-	-	
Special reserve		-	-	-	-	23,272	(23,272)	-	-	-	-	
Cash dividends		-	-	-	-	-	(759,482)	-	-	-	(759,482)	
Share-based payment transactions	6(11)	-	-	3,337	-	-	-	-	-	-	3,337	
Employee stock options exercised	6(10)(11)	4,884	857	87,255	-	-	-	-	-	-	92,996	
Adjustments of changes in investments accounted for using equity method	6(5)(11)	-	-	20,114	-	-	-	-	-	-	20,114	
Advance receipts for share capital transferred to share		524	(524)	-	-	-	-	-	-	-	-	
Balance at December 31, 2021		\$ 695,170	\$ 857	\$ 2,421,348	\$ 848,366	\$ 23,272	\$ 1,490,020	(\$ 60,840)	\$ 45,945	(\$ 57)	\$ 5,464,081	
<u>Year ended December 31, 2022</u>												
Balance at January 1, 2022		\$ 695,170	\$ 857	\$ 2,421,348	\$ 848,366	\$ 23,272	\$ 1,490,020	(\$ 60,840)	\$ 45,945	(\$ 57)	\$ 5,464,081	
Profit for the year		-	-	-	-	-	1,045,026	-	-	-	1,045,026	
Other comprehensive income (loss)		-	-	-	-	-	5,172	60,495	(29,583)	-	36,084	
Total comprehensive income		-	-	-	-	-	1,050,198	60,495	(29,583)	-	1,081,110	
Appropriations of 2021 earnings	6(12)											
Legal reserve		-	-	-	91,755	-	(91,755)	-	-	-	-	
Special reserve		-	-	-	-	(8,377)	8,377	-	-	-	-	
Cash dividends		-	-	-	-	-	(834,675)	-	-	-	(834,675)	
Share-based payment transactions	6(11)	-	-	2,026	-	-	-	-	-	-	2,026	
Employee stock options exercised	6(10)(11)	8,552	2,334	162,389	-	-	-	-	-	-	173,275	
Employee restricted stocks	6(11)	-	-	774	-	-	-	-	-	-	774	
Adjustments of changes in investments accounted for using equity method	6(5)(11)	-	-	39,804	-	-	-	-	-	-	39,804	
Advance receipts for share capital transferred to share		857	(857)	-	-	-	-	-	-	-	-	
Balance at December 31, 2022		\$ 704,579	\$ 2,334	\$ 2,626,341	\$ 940,121	\$ 14,895	\$ 1,622,165	(\$ 345)	\$ 16,362	(\$ 57)	\$ 5,926,395	

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The accompanying notes are an integral part of these non-consolidated financial statements.

ECOVE ENVIRONMENT CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,061,689	\$ 924,869
Adjustments			
Adjustments to reconcile profit (loss)			
Salary expense-employee stock options	6(9)(17)	2,026	3,337
Employee restricted stocks	6(9)(17)	774	-
Depreciation - right-of-use assets	6(6)	74	68
Interest income	6(13)	(20,128)	(8,238)
Dividend income	6(14)	(531)	(1,789)
Gain on valuation of financial assets	6(2)(15)	(2,167)	(1,193)
Gain from lease modification	6(15)	-	(11)
Share of profit of associates and joint ventures accounted for under equity method	6(5)	(1,044,850)	(923,898)
Proceeds from capital reduction of investee company	6(15)	(543)	-
Interest expense	6(7)	14,636	8,713
Interest expense - lease liability	6(6) and 7	4	4
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(39,779)	(441,943)
Other receivables		286	(42)
Other receivables-related parties		(4,651)	(7,610)
Prepayments		-	8
Increase in investments accounted for using the equity method-subsiidiaries	6(5)	(199,999)	-
Changes in operating liabilities			
Notes payable		481	-
Other payables		(2,074)	8,062
Other payables - related parties		(48)	(886)
Preference share liabilities-non-current		645	304
Cash outflow generated from operations		(234,155)	(440,245)
Interest received		2,061	823
Dividends received		813,706	948,546
Interest paid		(12,100)	-
Income tax paid		(13,957)	(11,863)
Net cash flows from operating activities		<u>555,555</u>	<u>497,261</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		17,437	6,506
Increase in other receivables-related parties		(82,000)	(1,615,000)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		2,261	-
Decrease (increase) in financial assets at amortised cost		152,000	(152,000)
Increase in refundable deposits		-	(17)
Net cash flows from (used in) investing activities		<u>89,698</u>	<u>(1,760,511)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of lease liabilities		(69)	(74)
Proceeds from issuance of bonds		-	1,987,324
Employee stock options exercised		173,275	92,996
Cash dividends paid	6(12)	(834,675)	(759,482)
Net cash flows (used in) from financing activities		<u>(661,469)</u>	<u>1,320,764</u>
Net (decrease) increase in cash and cash equivalents		(16,216)	57,514
Cash and cash equivalents at beginning of year		74,365	16,851
Cash and cash equivalents at end of year		<u>\$ 58,149</u>	<u>\$ 74,365</u>

The accompanying notes are an integral part of these non-consolidated financial statements.

ECOVE Environment Corporation
Profit Distribution Table
Year 2022

Item	Unit : NT\$ Total
Unappropriated retained earnings of previous years	571,967,614
Add : Remeasurement arising on defined benefit plans are recognised	5,171,404
Add : Net income of 2022	1,045,026,177
Less : 10% legal reserve	-105,019,758
Add : Special reserve	14,894,834
Retained earnings available for distribution as of December 31,2022	1,532,040,271
Cash dividends (Based on 70,704,935 outstanding shares at January 31, 2023, about NT\$13.58 per share)	-960,072,657
Unappropriated retained earnings	571,967,614

Notes :

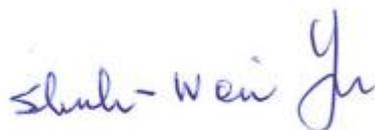
1. Distribution will be made primarily by 2022 retained earnings; the insufficient amount will be reimbursed by undistributed retained earnings before 2021.
2. For the proposed distribution date, shares for distribution are based on outstanding shares by the end of January 31, 2023; the actual shares for distribution will be based on the actual outstanding shares on the record date.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements (both consolidated and individual), and proposal for allocation of profits. The CPA firm of PriceWaterhouseCoopers was retained to audit ECOVE Environment Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ECOVE Environment Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

ECOVE Environment Corporation.

Chairman of the Audit Committee: Shuh-Woei Yu



Dated March 6th, 2023

ECOVE Environment Corporation
The Directors' and Employees' Remuneration of 2022

- (1) It is processed in accordance with the Article 29 of "Articles of Incorporation" of the Company.
- (2) The 2022 pre-tax profit before remuneration distribution amounts to NT \$1,067,256,250. The Board of Directors of the Company resolved that NT\$5,200,000 (contribution rate :0.49%) of the directors' remuneration and NT\$367,191 (contribution rate:0.03%) of the employees' remuneration will be distributed by cash. There is no difference between the amount of employees' compensation and directors' remuneration recognized in the 2022 financial statements.

ECOVE Environment Corporation
The Balance of the Company's Guarantees and Endorsements
December 31, 2022

unit : NT\$ Thousand

Item	Guarantees and Endorsements	
	as of 2022/12/31	as of 2021/12/31
ECOVE Solar Energy Corporation	2,170,000	2,659,622
ECOVE Solar Power Corporation	1,120,000	920,000
EVER ECOVE Corporation	203,000	208,000
ECOVE Solvent Recycling Corporation	150,000	157,600
ECOVE South Corporation Ltd.	200,000	300,000
	900,000	-
Total	4,743,000	4,245,22

Note: 2022.12.31 Net worth : 5,926.40 millions

1. The ceiling on the total amount of endorsements or guarantees made by the Company is TWD 17,779.19 millions.
2. The ceiling on the total amount of endorsements or guarantees for any single entity is TWD11,852.79 millions.

ECOVE Environment Corporation
Distribution of cash dividends report of 2022

- (1) It is processed in accordance with the Article 30 of “Articles of Incorporation” of the Company.
- (2) The Board of Directors of the Company resolved the distribution of 2022 shareholders’ dividends in the amount of TWD 960,072,657 by cash (TWD 13.58 per share based on common shares outstanding 70,704,935 shares at the end of January, 2023). The distribution of cash dividends will be calculated to new Taiwan dollar and round it to the nearest dollar. The difference will be booked as the other income or expense of the Company.
- (3) The Chairman of the Company is authorized to determine the record date to distribute the cash dividends. In case that the total common shares outstanding may change and the ultimate cash to be distributed to each common share may need to be adjusted, the Chairman of the Company is authorized to do adjustments.

ECOVE Environment Corporation
Table of Amendments to “The Procedure for Acquisition and Disposal of Assets”

Article	Existing Provisions	Amendments
Attachment II	<p>Regulation for the Authorization of Acquisition and Disposal of Assets</p> <ol style="list-style-type: none"> I. The Regulation are formulated in accordance with The Procedures for the Acquisition and Disposal of Assets promulgated by the Company. II. These Regulation apply to investments in non-current financial assets, idle funds, current financial assets, derivatives, real property and equipment, or right-of-use assets thereof. III. The authorization for the acquisition and disposal of assets is specified as follows: <ol style="list-style-type: none"> 1. About investment in non-current financial assets, the company obtains or disposal equity investment for long-term holding purposes due to business expansion and overall operation needs, and the relevant department shall submit it to the board of directors for approval. 2. (Omitted) 	<p>Regulation for the Authorization of Acquisition and Disposal of Assets</p> <ol style="list-style-type: none"> I. The Regulation are formulated in accordance with The Procedures for the Acquisition and Disposal of Assets promulgated by the Company. II. These Regulation apply to investments in non-current financial assets, idle funds, current financial assets, derivatives, real property and equipment, or right-of-use assets thereof. III. The authorization for the acquisition and disposal of assets is specified as follows: <ol style="list-style-type: none"> 1. About investment in non-current financial assets, the company obtains or disposal equity investment for long-term holding purposes due to business expansion and overall operation needs. <u>The chairman of the board of directors is authorized to approve or disposal any investment reaching or less than the value of TWD 35 million and classified as non-current assets on the financial statements; for any investment or disposal of securities exceeding the value of TWD 35 million or the cumulative transaction exceeding the value of TWD 35 million with the same counterparty within the preceding</u>

Article	Existing Provisions	Amendments
		<p><u>year</u>, the relevant department shall submit it to the board of directors for approval.</p> <p>2. (Omitted)</p>

ECOVE Environment Corporation
Table of Amendments to “Articles of Incorporation”

Article	Existing Provisions	Amendments
Article 2	<p>Scope of the Company’s business activities include the following: <u>H201010 Investment</u></p>	<p>Scope of the Company’s business activities include the following:</p> <ol style="list-style-type: none"> 1. <u>C201010 Feed Manufacturing</u> 2. <u>C801010 Basic Chemical Industrial</u> 3. <u>C801020 Petrochemical Materials Manufacturing</u> 4. <u>C801030 Precision Chemical Material Manufacturing</u> 5. <u>C801060 Synthetic Rubber Manufacturing</u> 6. <u>C801100 Synthetic Resin and Plastic Manufacturing</u> 7. <u>C801110 Fertilizer Manufacturing</u> 8. <u>C801120 Manufacture of Man-made Fibers</u> 9. <u>C801990 Other Chemical Materials Manufacturing</u> 10. <u>C802090 Manufacture of Cleaning Preparations</u> 11. <u>C802120 Industrial and Additive Manufacturing</u> 12. <u>C802200 Coating, Paint, Dye and Pigment Manufacturing</u> 13. <u>C802990 Other Chemical Products Manufacturing</u> 14. <u>C901040 Manufacture of Ready-mix Concrete</u> 15. <u>C901050 Cement and Concrete Products Manufacturing</u> 16. <u>CA01990 Other Non-ferrous Metal Basic Industries</u> 17. <u>CA02010 Manufacture of Metal Structure and Architectural Components</u> 18. <u>CB01010 Mechanical Equipment</u>

Article	Existing Provisions	Amendments
		<p><u>Manufacturing</u></p> <p>19. <u>CB01030 Pollution Controlling Equipment</u></p> <p><u>Manufacturing</u></p> <p>20. <u>CB01990 Other Machinery Manufacturing</u></p> <p>21. <u>CC01010 Manufacture of Power</u> <u>Generation, Transmission and</u> <u>Distribution</u> <u>Machinery</u></p> <p>22. <u>CC01040 Lighting Equipment</u> <u>Manufacturing</u></p> <p>23. <u>CC01080 Electronics Components</u> <u>Manufacturing</u></p> <p>24. <u>CC01090 Manufacture of Batteries and</u> <u>Accumulators</u></p> <p>25. <u>CD01020 Rail Vehicle and Parts</u> <u>Manufacturing</u></p> <p>26. <u>CE01010 General Instrument</u> <u>Manufacturing</u></p> <p>27. <u>CZ99990 Manufacture of Other Industrial</u> <u>Products Not Elsewhere Classified</u></p> <p>28. <u>D101050 Combined Heat and Power</u></p> <p>29. <u>D301010 Water Operator</u></p> <p>30. <u>D401010 Thermal Energy Supply</u></p> <p>31. <u>E401010 Dredging industry</u></p> <p>32. <u>E402010 Sandstone, Silt Sea Throwing</u></p> <p>33. <u>E502010 Fuel Catheter Installation</u> <u>Engineering</u></p> <p>34. <u>E599010 Piping Engineering</u></p> <p>35. <u>E601010 Electric Appliance Construction</u></p> <p>36. <u>E601020 Electric Appliance Installation</u></p> <p>37. <u>E603010 Cable Installation Engineering</u></p> <p>38. <u>E603020 Elevator Installation Engineering</u></p> <p>39. <u>E603040 Fire Safety Equipment</u> <u>Installation Engineering</u></p> <p>40. <u>E603050 Automatic Control Equipment</u> <u>Engineering</u></p>

Article	Existing Provisions	Amendments
		<p>41. <u>E603080 Traffic Signs Installation Engineering</u></p> <p>42. <u>E603090 Lighting Equipments Construction</u></p> <p>43. <u>E603100 Electric Welding Engineering</u></p> <p>44. <u>E603110 Cold Work Engineering</u></p> <p>45. <u>E603120 Sand Blasting Engineering</u></p> <p>46. <u>E603130 Gas Water Heater Contractors</u></p> <p>47. <u>E604010 Machinery Installation</u></p> <p>48. <u>E605010 Computer Equipment Installation</u></p> <p>49. <u>E701020 Satellite Television KU Channels and Channel C Equipment Installation</u></p> <p>50. <u>E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering</u></p> <p>51. <u>E801010 Indoor Decoration</u></p> <p>52. <u>E801020 Doors and Windows Installation Engineering</u></p> <p>53. <u>E801030 Indoor Light-gauge Steel Frame Engineering</u></p> <p>54. <u>E801040 Glass Installation Engineering</u></p> <p>55. <u>E801070 Kitchenware and Sanitary Fixtures Installation Engineering</u></p> <p>56. <u>E901010 Painting Engineering</u></p> <p>57. <u>E903010 Anti-Corrosion and Anti-Rust Engineering</u></p> <p>58. <u>EZ02010 Crane and Hoist Services Engineering</u></p> <p>59. <u>EZ03010 Furnace Installation</u></p> <p>60. <u>EZ05010 Instrument and Meters Installation Engineering</u></p> <p>61. <u>EZ06010 Traffic Marking Engineering</u></p> <p>62. <u>EZ07010 Drilling Engineering</u></p> <p>63. <u>EZ09010 Electrostatic Protection and Cancellation Engineering</u></p>

Article	Existing Provisions	Amendments
		<p>64. <u>EZ13010 Nuclear Engineering</u></p> <p>65. <u>EZ14010 Sport Venue Equipment Engineering</u></p> <p>66. <u>EZ15010 Warming and Cooling Maintenance Construction</u></p> <p>67. <u>EZ99990 Other Engineering</u></p> <p>68. <u>F106010 Wholesale of Hardware</u></p> <p>69. <u>F107030 Wholesale of Cleaning Supplies</u></p> <p>70. <u>F107050 Wholesale of Fertilizer</u></p> <p>71. <u>F107080 Wholesale of Environmental Agents</u></p> <p>72. <u>F107170 Wholesale of Industrial Catalyst</u></p> <p>73. <u>F107200 Wholesale of Chemical Feedstock</u></p> <p>74. <u>F107990 Wholesale of Other Chemical Products</u></p> <p>75. <u>F113010 Wholesale of Machinery</u></p> <p>76. <u>F113020 Wholesale of Electrical Appliances</u></p> <p>77. <u>F113030 Wholesale of Precision Instruments</u></p> <p>78. <u>F113050 Wholesale of Computers and Clerical Machinery Equipment</u></p> <p>79. <u>F113060 Wholesale of Measuring Instruments</u></p> <p>80. <u>F113070 Wholesale of Telecommunication Apparatus</u></p> <p>81. <u>F113090 Wholesale of Traffic Sign Equipments and Materials</u></p> <p>82. <u>F113100 Wholesale of Pollution Controlling Equipments</u></p> <p>83. <u>F114080 Wholesale of Track Vehicle and Component Parts Thereof</u></p> <p>84. <u>F117010 Wholesale of Fire Safety Equipment</u></p> <p>85. <u>F118010 Wholesale of Computer</u></p>

Article	Existing Provisions	Amendments
		<p><u>Software</u></p> <p>86. <u>F119010 Wholesale of Electronic Materials</u></p> <p>87. <u>F120010 Wholesale of Refractory Materials</u></p> <p>88. <u>F199010 Wholesale of Recycling Materials</u></p> <p>89. <u>F199990 Other Wholesale Trade</u></p> <p>90. <u>F206010 Retail Sale of Hardware</u></p> <p>91. <u>F207030 Retail Sale of Cleaning Supplies</u></p> <p>92. <u>F207050 Retail Sale of Fertilizer</u></p> <p>93. <u>F207080 Retail Sale of Environmental Agents</u></p> <p>94. <u>F207170 Retail Sale of Industrial Catalyst</u></p> <p>95. <u>F207200 Retail Sale of Chemical Feedstock</u></p> <p>96. <u>F207990 Retail Sale of Other Chemical Products</u></p> <p>97. <u>F211010 Retail Sale of Building Materials</u></p> <p>98. <u>F213010 Retail Sale of Electrical Appliances</u></p> <p>99. <u>F213030 Retail Sale of Computers and Clerical Machinery Equipment</u></p> <p>100. <u>F213040 Retail Sale of Precision Instruments</u></p> <p>101. <u>F213050 Retail Sale of Measuring Instruments</u></p> <p>102. <u>F213060 Retail Sale of Telecommunication Apparatus</u></p> <p>103. <u>F213080 Retail Sale of Machinery and Tools</u></p> <p>104. <u>F213090 Retail Sale of Traffic Sign Equipments and Materials</u></p> <p>105. <u>F213100 Retail Sale of Pollution Controlling Equipments</u></p> <p>106. <u>F214080 Retail Sale of Track Vehicle and Component Parts Thereof</u></p>

Article	Existing Provisions	Amendments
		<p>107. <u>F217010 Retail Sale of Fire Safety Equipment</u></p> <p>108. <u>F218010 Retail Sale of Computer Software</u></p> <p>109. <u>F219010 Retail Sale of Electronic Materials</u></p> <p>110. <u>F220010 Retail Sale of Refractory Materials</u></p> <p>111. <u>F299990 Retail Sale of Other Products</u></p> <p>112. <u>F401010 International Trade</u></p> <p>113. <u>H201010 Investment</u></p> <p>114. <u>H701040 Specific Area Development</u></p> <p>115. <u>H701050 Investment, Development and Construction in Public Construction</u></p> <p>116. <u>H701090 Urban Renewal Renovation or Maintenance</u></p> <p>117. <u>I103060 Management Consulting</u></p> <p>118. <u>I199990 Other Consulting Service</u></p> <p>119. <u>I301010 Information Software Services</u></p> <p>120. <u>I301020 Data Processing Services</u></p> <p>121. <u>IF01010 Fire Safety Equipment Inspection and Repair</u></p> <p>122. <u>IF04010 Non-destructive Testing</u></p> <p>123. <u>IG03010 Energy Technical Services</u></p> <p>124. <u>IZ99990 Other Industrial and Commercial Services</u></p> <p>125. <u>J101030 Waste Disposing</u></p> <p>126. <u>J101040 Waste Treatment</u></p> <p>127. <u>J101050 Environmental Testing Services</u></p> <p>128. <u>J101060 Wastewater (Sewage) Treatment</u></p> <p>129. <u>J101080 Resource Recycling</u></p> <p>130. <u>J101090 Waste Disposal</u></p> <p>131. <u>J101990 Other Environmental Sanitation and Pollution Prevention Service</u></p> <p>132. <u>ZZ99999 All business activities that are</u></p>

Article	Existing Provisions	Amendments
		<u>not prohibited or restricted by law, except those that are subject to special approval.</u>
Article 34	These Articles of Incorporation were enacted on December 8, 1999. (Omitted) The eleventh amendment on May 26, 2022.	These Articles of Incorporation were enacted on December 8, 1999. (Omitted) The eleventh amendment on May 26, 2022. <u>The thirteenth amendment on May 31, 2023.</u>

ECOVE Environment Corporation
Articles of Incorporation(Before Amendment)

Amended on May 26, 2022

Chapter I General

- Article 1 This company is incorporated under the Company Act of the Republic of China, in the name of “ECOVE Environment Corporation” (hereinafter the “Company”).
- Article 2 Scope of the Company’s business activities include the following:
H201010 Investment
- Article 3 The Company has established its headquarter in Taipei, R.O.C., and may establish branches within or outside of the territory of R.O.C. upon the board’s resolution when necessary.
- Article 4 Public announcement of the Company shall be made in accordance with Article 28 of the Company Act.
Upon the Company goes public, the public announcement of the Company shall be made in accordance with the relevant rules and regulations as established by the competent authority.
- Article 4-1 To the extent of the necessary practice, the Company may make endorsement and guarantee according to the rules governing procedure for making of endorsements or guarantees.

Chapter II Capitals

- Article 5 The Company has an authorized capital of NT\$1200,000,000, divided into 120,000,000 shares at NT\$10 dollars par value per share. The Company hereby authorizes the Board of Directors to issue the said shares in installments. In respect to the aforementioned capital, a total of NT\$60,000,000, divided into 6,000,000 shares at NT\$10 dollars par value per share, shall be reserved for issuing employee stock options in installments pursuant to the Company’s board resolution.
- Article 5-1 The employees entitled to receive shares, which bought back by the Company, or share subscription warrants, or restricted stock for employees, or reserved for subscription by employees when the Company issues new shares, may including the employees of subsidiaries of the Company meeting certain specific requirements which will be determined by the Board of Directors.

- Article 6 The total amount of the Company's reinvestment is not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.
- Article 7 The Company had issued shares. The share issued is exempted from printing any share certificate and shall be registered the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.
- Article 8 Unless otherwise provided by the law and securities regulations, the shareholders' handling of stock affairs and exercise of their rights shall be governed by "Criteria Governing Handling of Stock Affairs by Public Companies."
- Article 9 Deleted.
- Article 10 Changes to the shareholders roster shall be made in accordance with Article 165 of the Company Act.

Chapter III Shareholders' Meeting

- Article 11 There are two types of shareholders' meeting:
(1) General shareholders' meeting, which shall be convened at least once a year within six months after the end of each fiscal year by the Board of Directors.
(2) Special shareholders' meeting, which shall be convened when necessary.
- Article 12 The shareholders' meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.
- Article 13 Notice to convene a shareholders' meeting shall be made pursuant to Article 172 of the Company Act.
Shareholders' proposals shall be made in accordance with Article 172-1 of the Company Act.
- Article 14 Where a shareholder cannot attend the shareholders' meeting for any reasons, he or she may appoint a representative to attend the meeting and exercise his or her rights on his or her behalf pursuant to Article 177 of the Company Act.
- Article 15 Except as otherwise provided by the Company Act and other ordinances, the shareholder shall have one voting right for each share owned in the Company.
When the Company convenes a shareholders' meeting, the shareholders may exercise its voting right in writing or electronically.

- Article 16 Except as provided in the Company Act and other relevant rules and regulations, the shareholders' resolution shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting representing more than half of the total number of issued shares. Resolutions adopted at the shareholders' meeting shall be recorded in the meeting minutes and items recorded therein shall be made in accordance with the relevant laws and regulations.
- Article 16-1 In the event where the Company needs to withdraw from public offering, the Company shall submit such issue to the shareholders' meeting for resolution. This provision shall not be amended during the period when the Company is being publicly traded over the counter or in the stock exchange market.
- Article 16-2 The shareholders' meeting may be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Chapter IV Directors and Audit Committee

- Article 17 The Company shall have five to nine directors, who shall hold the office for a term of three years and be elected from people with legal capacity at the shareholders' meeting. Directors are eligible for reelection. The election of directors shall be made in cumulative vote by open ballots. Each share shall enjoy as many votes as the number of directors' positions up for election. Shareholders may concentrate their full share of votes on one or several candidates. Candidates who receive the most votes shall be elected as directors. Where it is necessary to amend the aforementioned method of election, in addition to complying with Article 172 of the Company Act, the Company shall include such matter in the notice of convening shareholders' meeting and explain the key contents thereof. The total amount of the nominated shares held by all directors shall be determined in accordance with the regulations set forth by the competent authority.
- Article 17-1 Two to three of the aforementioned directors shall be independent directors. The directors (including independent directors) shall be elected by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law. Professional qualification, number of shareholdings, restrictions regarding holding other jobs, nomination and election of independent directors and other compliance matters shall be governed by the relevant regulations set forth by the competent authority.

Article 17-2 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of the entire number of independent directors. The Audit Committee or the members of Audit Committee shall be delegated the power as set forth in the provisions regarding supervisors in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 18 The Board of Directors shall have the authority to perform the followings:

- (1) Set out business guidelines
- (2) Draft proposals for distribution of profits, loss recovery, amendment of Articles of Incorporation, changes to the authorized capital and dissolution or mergers of the Company
- (3) Resolve matters related to the offering, issuance or private placement of equity-type securities
- (4) Approve important bylaws related to internal control mechanisms and material business or financial contracts of the Company
- (5) Appoint or remove financial officers, accounting officers, internal auditing officers and other executing officers
- (6) Resolve matters related to the appointment, removal or remuneration of the certified public accountant of the Company
- (7) Amend guidelines and procedure regarding material financial and business conducts of the Company such as acquisition and disposal of assets, derivatives trading, lending of capital, endorsements and guarantees and disclosure of financial forecasts, etc.
- (8) Establish or dissolve branches
- (9) Provide budget and financial reports
- (10) Other authority as granted by the Company Act or by the shareholders' resolution

Article 19 A Board of Directors' meeting shall be attended by more than half of the directors and the directors shall elect amongst themselves a chairman. The chairman shall externally represent the Company

Article 20 Unless otherwise provided by the Company Act, the Board of Directors' meeting shall be convened by the chairman and the directors shall attend the meeting in person. If the Board of Directors' meeting is convened by video conference, a director attending the meeting by video conference shall be deemed to have attended the meeting in person.

In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director, by means of written document, email or facsimile, no later than 7 days prior to the scheduled meeting date. However, in case of emergency, a meeting may be convened at any time.

Unless otherwise provided by the Company Act, the board resolution shall be adopted with the concurrence of the majority of the directors present at the meeting representing more than half of the directors.

Article 20-1 The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 21 The board meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.

A director may, by a written proxy, appoint another director to attend the board meeting on its behalf and to vote on his or her behalf within the scope of authority granted; provided that a director may only act as proxy on behalf of one other director.

Resolutions adopted at the Board of Directors' meeting shall be recorded in the meeting minutes duly signed or sealed by the chairman.

Article 22 Deleted.

Article 23 The Company hereby authorizes the Board of Directors to determine the remuneration of the directors and chairman of the Company in accordance with the level of contribution to the Company made by each of the said directors and chairman and with reference to the industry standards.

Chapter V Human Resources

Article 24 The Company may establish several managers. The appointment, removal and remuneration of managers of the Company shall be made in accordance to Article 29 of the Company Act.

Article 25 Deleted.

Chapter VI Financial Reports

Article 26 The fiscal year of the Company shall commence on January 1 of each year until December 31 of the same year. At the end of each fiscal year, the Board of Directors shall prepare the following documents to be audited by the Audit Committee and submitted them for the shareholders' approval at the general meeting of the shareholders:

- (1) Business report
- (2) Financial statements
- (3) Proposal for profit distribution or covering of losses

Article 27 Deleted.

Chapter VII Profit Allocation

Article 28 The allocation of dividends and bonuses shall be made in accordance with the shareholding ratio of each shareholder. Where the Company did not earn any profit, the Company shall not allocate dividends and bonuses.

Article 29 When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, with the resolution of the board of directors, distribute at least 0.01% of the income before tax to pay to the employees as remuneration, and distribute no more than 2% of the income before tax to pay to the board of directors as remuneration. The remuneration could be stock or cash, and the employee remuneration could be distributed to the employees of subsidiaries of the Company under certain conditions.
A report of the distribution of employee remuneration or the board of directors remuneration shall be submitted to the shareholders' meeting.

Article 30 The Company shall, after all taxes and dues have been paid and its losses have been covered and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Furthermore, in accordance with the provisions of laws and regulations and the rules prescribed by the central competent authority, a special reserve shall be set aside. If there is recovery of the balance of special reserve, the recovered amount shall be included in the distribution of the profit for the current year.
The allocable profit for the current year, which is the balance after the profit distribution and covering losses aforementioned as the preceding Paragraph, together with the undistributed retained earnings accrued from prior years shall be referred to as accumulated distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.
The Company authorizes the Board of Director to distribute all or part of the distributable dividends and bonuses, capital surplus or legal reserve in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
In order to meet the requirements in business expansion and industry growth, fulfilling future operating needs and stabilizing financial structure is the priority of the Company's dividend policy. Thus, the distribution of the accumulated distributable earnings accords to the shareholders' resolutions. And, the amount of shareholders' bonus shall not be less than 20% of accumulated distributable

earnings of the Company, and in particular cash dividend shall not be less than 5%.

Article 31 Deleted.

Chapter VIII Miscellaneous

Article 32 The internal organizational bylaws and procedural rules shall be set out separately.

Article 33 All matters that are not provided for herein shall be subject to the Company Act and other applicable laws and regulations.

Article 34 These Articles of Incorporation were approved at the promoters' meeting by all promoters on December 8, 1999.

The first amendment was approved on June 27, 2002,
Article 17-1 of this Articles of Incorporation was amended in accordance with Article 183 of the Securities and Exchange Act,
the second amendment on June 20, 2007,
the third amendment on June 26, 2009,
the fourth amendment on June 17, 2010,
the fifth amendment on June 25, 2013,
the sixth amendment on June 23, 2014
the seventh amendment on June 21, 2016
The eighth amendment on June 26, 2017
The ninth amendment on May 28, 2020
The tenth amendment on July 30, 2021
The eleventh amendment on May 26, 2022

Article 35 This Articles of Incorporation shall become effective upon the approval by the shareholders' meeting. The same shall apply to the amendment hereto.

ECOVE Environment Corporation
Chairman J. J. Liao

ECOVE Environment Corporation
Rules Governing Procedure for Shareholders' Meetings

Amended on June 26, 2009

New on June 12, 2006

- Article 1 Unless otherwise provided by laws, regulations or Articles of Incorporation , the shareholders' meeting shall be governed by the Rules.
- Article 2 The Company shall prepare an attendance sheet for the attending shareholders or the proxies to sign or the attending shareholders shall hand in an attending card to indicate their presence. The number of the shares present at the shareholders' meeting shall be calculated based on the attendance sheet or the attending cards handed in.
- Article 3 The attendance of and voting at the shareholders' meeting shall be calculated based on shares.
- Article 4 The shareholders' meeting shall be held at the location of the Company or at the location that is convenient for the shareholders to attend and appropriate for convening shareholders' meeting thereat. The time of the meeting shall not be earlier than 9am or later than 3pm.
- Article 5 If the shareholders' meeting is convened by the board of directors, the shareholders' meeting shall be chaired by the chairman. If the chairman is absent or cannot exercise its duties for any reasons, the chairman shall appoint a director to represent him or her at the shareholders' meeting. Where the chairman did not appoint any representative, the directors shall choose a person among them to do so.
- Article 6 The Company may appoint its attorneys, accountants or other related persons to attend the shareholders' meeting as non-voting observers.
- Article 7 The entire proceedings of the shareholders' meeting shall be recorded on audio or video tape. Such audio or video tape shall be kept for at least 1 year.
- Article 8 The chair of the shareholders' meeting shall immediately announce the commencement of the shareholders' meeting when it is time to commence, provided that where shareholders representing more than half of the total issued shares are absent from the shareholders' meeting, the chair may announce the postponement of the shareholders' meeting. However, the shareholders' meeting can only be postponed twice and the total period of postponement cannot exceed one hour. If, after two postponements, the quorum is still not satisfied, but the attending shareholders represent more than one third of the total issued shares, a provisional resolution may be made pursuant to Paragraph 1 of Article 175 of the Company Act. Before the closing of that shareholders' meeting, if the attending shareholders represent more than half of the total issued shares, the chair may submit the provisional resolution to the shareholders' meeting for voting in accordance with Article 174 of the Company Act.

- Article 9 If the shareholders' meeting is convened by the board of directors, the agenda of the meeting shall be determined by the board of directors. The shareholders' meeting shall proceed in the order of proposed agenda. Such order shall not be changed without the approval of the shareholders' meeting.
The above provision applies is also applicable to the Meeting which is convened by the person who does not belong to the Board of Directors.
Before the proposed agenda (including extempore motions) is decided, without the approval of the shareholders' meeting, the chair shall not announce the adjournment of the shareholders' meeting.
Members of the board shall provide help to shareholders to vote a Chairman with majority of present shareholders in accordance of the statutory process when the Chairman adjourn the Meeting in violation of Rules and Procedures.
After the adjournment of the shareholders' meeting, the shareholders shall not elect another chair to continue the shareholders' meeting at the same location or at another location.
- Article 10 Before an attending shareholder makes a statement, he or she shall first fill out a statement slip indicating the subject of his or her statement, the shareholder's account number (or the attendance identification number) and the shareholder's name. The chair shall determine the order in which the shareholders shall make the statement.
Where an attending shareholder only submits a statement slip but did not make any statement, he or she shall be deemed to have not spoken. Where the content of the oral statement is different from that indicated on the statement slip, the content of the oral statement shall prevail.
When an attending shareholder is making a statement, the other shareholders shall not interrupt unless otherwise agreed to by the chair and the speaking shareholder. In case of violation, the chair shall stop the disturbance.
- Article 11 For every proposal discussed, unless otherwise agreed to by the chair of the shareholders' meeting, each shareholder shall not speak for more than twice and each time shall not exceed 5 minutes. Any shareholder violating the abovementioned rule or whose statement exceeds the scope of the proposal, the chair may interrupt and stop such shareholder from speaking.
- Article 12 Where a juristic person is delegated to attend the shareholders' meeting, such juristic person can only appoint one person to attend the shareholders' meeting. Where a juristic person appoints more than 2 representatives to attend the shareholders' meeting, only one of such representatives may speak for each proposal.
- Article 13 When an attending shareholder speaks, the chair may answer such shareholder directly or appoint a related person to answer.
- Article 14 With respect to the discussion of a proposal, where the chair is of the opinion that a matter has been sufficiently discussed to the extent that a vote may proceed, he or she may conclude the discussion and bring the matter to vote.

- Article 15 People supervise and count the votes for the voting of a proposal shall be appointed by the chair, provided that the person supervising the vote shall be a shareholder of the Company. The result of the vote shall be announced on site and shall be recorded in the meeting minutes.
- Article 16 During the course of the shareholders' meeting, the chair may announce a break at the times that he or she deems appropriate.
- Article 17 Unless otherwise provided by the Company Act or by the Articles of Incorporation, a proposal shall be adopted by a majority vote of the shareholders present. When voting for a proposal, if no objection is expressed when the chair puts the matter before the shareholders present at the shareholders' meeting, the proposal shall be deemed to have been adopted. The effect of such adoption shall be the same as adoption by votes.
If there's any objection, shareholder shall vote for it in accordance of above rules.
- Article 18 Where there is an amendment proposal or alternative proposal for the same issue, the chair shall determine the order of voting of such proposals together with the original proposal for the same issue. However, if a proposal has been approved, the other proposals shall be deemed to have been vetoed and need not be voted again.
- Article 19 The chair may direct the rectifiers (or security personnel) to assist in maintaining order at the shareholders' meeting. When the rectifiers (or security personnel) provide assistance to maintain the order at the shareholders' meeting, they shall wear the badge indicating that they are the rectifiers.
- Article 20 The Rules shall come into force upon the adoption by the shareholders' meeting. The same shall apply to the amendment hereof.

ECOVE Environment Corporation
Rules Governing the Election of Directors

Issued on June 12, 2006
Amended on June 23, 2014
Amended on June 21, 2016

- Article 1 Unless otherwise provided in other laws and regulations or the Articles of Incorporation, or any material matters as prescribed by the competent authority, the directors of this Company shall be elected in accordance with rules specified herein.
- Article 2 The directors shall be elected among people with legal capacity at the shareholders' meeting. The position number is defined by the Articles of Incorporation.
The directors (including independent directors) shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Law.
- Article 3 The voting of independent directors and non-independent directors shall be hold in the lump while elected separately. The persons with the most votes shall be elected respectively for the positions.
Independent directors shall possess professional knowledge and maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company. Their professional qualifications, shareholdings, the positions they may concurrently hold, independence and other matters they shall follow are ruled by Laws and regulations.
- Article 4 The election of directors shall be made in cumulative vote, voters may have their ballots casted in their attendance card number. Each share shall enjoy as many votes as the number of directors' positions up for election. Shareholders may concentrate their full share of votes on one or several candidates.
The board of directors shall prepare the ballot with the amount equals to the number of positions of directors. The ballot shall be marked with Company's chops and the number of voting rights of each voter, and dealt to shareholders who attend the board.
- Article 5 If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available and the Chairman shall draw lots on behalf of the candidate who is not present.
- Article 6 Before the voting process commences, the chair shall appoint a number of supervising personnel and vote counting personnel to handle the relevant matters.
- Article 7 The ballot box shall be prepared by the board of directors and shall be inspected by the supervising personnel before the voting process in front of all attending shareholders.

- Article 8 The voter shall indicate the shareholder account name and account number if the candidate is a shareholder, national identity card number and name if the candidate is not a shareholder on each ballot. Where the candidate is a government agency or a juristic person, the column of the candidate on the ballot shall include the name of the government agency or juristic person and the name of the representatives of the said government or juristic person may also be included therein. Where there are more than one representative, the voter shall specify the name of the representative additionally.
- Article 9 Where any of the following events occurs, the vote shall be deemed null and void:
1. Votes that are not made in accordance with the Rules.
 2. Unwritten blank votes put in the ballot box.
 3. Illegible writing that cannot be recognized or writings that have been altered.
 4. The name, shareholder account number or the national identity card number of the candidate written on the ballot and any items of the number of allocated voting rights have been altered.
 5. If the candidate is a shareholder, when its shareholder account number and name are different from those indicated on the shareholders' roster. If the candidate is not a shareholder, when the name and national identity card number are incorrect upon verification.
 6. Where the name of the candidate written on the ballot is the same as another shareholder, failure to inscribe the shareholder account number or national identity card number.
 7. In addition to the name, shareholder account number or national identity card number and the number of allocated voting rights, the ballot includes other drawings or writing.
 8. The number of candidate inscribed on the ballot exceeds the number of position available for election, or indication of two or more candidates on the same ballot.
 9. Where the total number of allocated voting rights exceeds the number of voting rights entitled to by the said shareholder.
- Article 10 When the total number of votes is less than the number of the allocated voting rights, the difference in number shall be deemed as waivers of right to vote.
- Article 11 The votes shall be opened at the shareholders' meeting after the votes are completed. The result shall be announced by the chair at the shareholders' meeting.
- The Company shall issue a notice of election to the elected directors respectively.
- Article 12 Matters that are not provided for in the Rules shall be governed by the Law and by the Company's Articles of Incorporation.
- Article 13 The Rules shall come into force upon the adoption by the shareholders' meeting. The same shall apply to the amendment hereof.

**ECOVE Environment Corporation
Shareholdings of All Directors**

Record Date: April 2, 2023

Title	Name	Shares	%	Representative
Chairman	CTCI Corporation	38,457,105	54.29	J. J. Liao
Director	CTCI Corporation			Y. P. Shih
Director	Kuan Shen Wang	0	0.00	NA
Director	Yangming Liu	0	0.00	NA
Director	Eugene Chien	0	0.00	NA
Director	Bing Shen	0	0.00	NA
Independent Director	Shuh Woei Yu	0	0.00	NA
Independent Director	James Tsai	0	0.00	NA
Independent Director	Shan Shan Chou	0	0.00	NA
Total number of shares held by all Directors		38,457,105	54.29	

- (1) Total shares issued as of April 2, 2023: 70,833,015 common shares and the total paid-up capital: NT\$ 708,330,150.
- (2) The minimum required combined shareholding of all Directors by law: 5,666,642 shares.

Others

The process of proposals raised by shareholders during this annual general meeting:

- 1) According to Article 172-1 of The Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the company in writing, which will be addressed during the annual general meeting.
- 2) This year's annual general meeting was open to shareholders' proposals from March 10 to March 20, 2023, and these dates have been published on the Market Observation Post System in compliance with the relevant regulations.
- 3) The Company did not receive any proposals from shareholders.



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