

Stock Code:1535



China Ecotek Corporation

2021 Annual General Meeting

Meeting Handbook

June 22, 2021

Kaohsiung Business Convention Center Liuhe Room

4F, No.5, Zhongshan 2nd Rd, Kaohsiung 806, Taiwan,
R.O.C

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China Ecotek Corporation

Annual Meeting of Shareholders Procedure

I. Announce Meeting

II. Chairman Remarks

III. Report Items

IV. Ratification Items

V. Discussion Items

VI. Extraordinary Motions

VII. Adjournment

2021 Annual Meeting of Shareholders Agenda

I.Time: June 22, 2021 (Tuesday) 9:00AM

II.Place: Kaohsiung Business Convention Center Liuhe Room
4F, No.5, Zhongshan 2nd Rd, Kaohsiung 806, Taiwan, R.O.C

III.Attendance: Shareholders and proxies authorized by
shareholders

IV.Chairman: Chung-Te Chen

V. Chairman Remarks

VI. Report Items

- (I) 2020 Business Report of the Company.
- (II) Report on Audit Committee's audit report of 2020 .
- (III) Report on 2020 remuneration of directors and supervisors as well as employees' remuneration by the Company.
- (IV) Report on amendments to the Regulations Governing Procedure for Board of Directors Meetings.
- (V) Report on amendments to the Guidelines for the Adoption of Codes of Ethical Conduct for Directors.
- (VI) Report on amendments to the Guidelines for the Adoption of Codes of Ethical Conduct for Employee.
- (VII) Report on amendments to the Corporate Governance Code of Practice.
- (VIII) Report on amendments to the Ethical Corporate Management Best Practice Principles.
- (IX) Report on amendments to the Procedures for Ethical Management and Guidelines for Conduct.
- (X) Other report matters.

VII. Ratification Items:

Proposal 1: 2020 Business Report, Financial Statements of the Company. Please proceed with the ratification.

Proposal 2: Proposal for 2020 Earnings Distribution of the Company. Please proceed with the ratification.

VIII. Discussion Items:

Proposal 1: Proposal on the draft amendment of the parts of the provisions of the Articles of Incorporation. Please proceed with the resolution.

IX. Extraordinary Motions

X. Adjournment

I. Report Items

- (I). General Manager, Chih-Feng Lee, report on 2020 Business Report of the Company.
- (II). Audit Committee's audit report of 2020 .
- (III). Report on the 2020 remuneration for directors and supervisors as well as employees' remuneration.
 - 1. In accordance with amended Article 32 of Article of Incorporation "If the Company has profits in the fiscal year, the board of Directors shall decide to distribute no less than 0.1% of the profits as the remuneration to employees and no higher than 1% of the profits as the remuneration to directors and supervisors. The target of remuneration distribution to employees includes employees of subordinate companies who meet certain criteria. However, if accumulated losses still remain, the Company shall retain the subsidization amount in advance before distributing remuneration to employees and directors and supervisors in accordance with the ratio prescribed in previous paragraph."
 - 2. The Company's 2020 income before tax without deducting remuneration distribution to employees and directors and supervisors was NT\$234,424,591. Appropriated employees' remuneration for 3.2677% equivalent to an amount of NT\$7,660,300 and remunerations of directors and supervisors for 0.6535% equivalent to an amount of NT\$ 1,532,061. All were distributed in cash.

China Ecotek Corporation Audit Committee's Audit Report

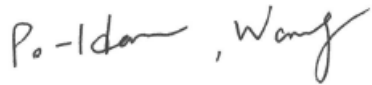
The Board of Directors has prepared the Company's 2020 Financial Statement audited by Deloitte & Touche Taiwan, earnings distribution plan and business report. The Audit Committee has reviewed the aforementioned financial statements and documents, and concluded all information is presented fairly. We hereby submit this report pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2021 Annual General Shareholders' Meeting

China Ecotek Corporation

Convener of the Audit Committee:



Po-Han Wang

February 25, 2021

(IV). Report on amendments to the Regulations Governing Procedure for Board of Directors Meetings

Proposed by the Company's board of directors

See attachment for the Company's Regulations Governing Procedures for Board of Directors Meetings.

Description: Proposal to amend the Company's Regulations Governing Procedures for Board of Directors Meetings in accordance with Order Tai-Zheng-Zhang(1)-Zi No. 1090000926 from the Taiwan Stock Exchange dated January 16, 2020, and in coordination with the establishment of an Audit Committee to replace supervisors.

Attachment

China Ecotek Corporation

Comparison of articles of the Regulations Governing Procedures for Board of Directors Meetings before and after amendment

Amended articles	Existing articles	Description
Article 2 Board meetings shall be convened and chaired by the chairman . However, the first meeting of a newly-elected board shall be convened by the director who receives the highest number of votes during the shareholders' meeting. Meetings shall be chaired by the persons who convene them; in cases where there are two or more conveners, one of whom shall be elected to chair the meeting. <u>Pursuant to Article 203,</u>	Article 2 Board meetings shall be convened and chaired by the chairman. However, the first meeting of a newly-elected board shall be convened by the director who receives the highest number of votes during the shareholders' meeting. Meetings shall be chaired by the persons who convene them; in cases where there are two or more conveners, one of whom shall be elected to chair the meeting. If the chairman is on	1. Wording in Paragraph 1 were revised in coordination with Article 10 of the Regulations Governing Procedure for Meetings of the Board of Directors of Public Companies. 2. Adjusted and added paragraph 2 in coordination

Amended articles	Existing articles	Description
<p data-bbox="157 180 454 427"><u>Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, where a Board meeting is convened by more than half of all directors, the directors shall elect a director from among themselves to chair the meeting.</u></p> <p data-bbox="157 435 454 743">If the chairman is on leave or cannot exercise his/her authority for any reason, the chairman may appoint a director to act as a proxy thereof; where the chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.</p>	<p data-bbox="512 180 813 459">leave or cannot exercise his/her authority for any reason, the chairman may appoint a director to act as a proxy thereof; where the chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.</p>	<p data-bbox="860 180 1039 427">with the amendment to Article 203, Paragraph 4 and Article 203-1 of the Company Act.</p> <p data-bbox="824 371 1039 427">3. Adjusted the paragraphs.</p>
<p data-bbox="124 759 454 1166">Article 4 Board meetings shall be convened on a quarterly basis. The meeting notice shall include the date, venue, agenda, and meeting documents, and shall be sent to all directors at least seven days in advance. However, in case of an emergency, a written notice or other suitable means may be used to give notice to convene meetings at any time.</p> <p data-bbox="157 1174 454 1262">The meeting notice in the preceding paragraph may be in electronic form.</p> <p data-bbox="157 1270 454 1449">Except in cases of emergency or under circumstances supported by justifiable reasons, all discussion topics listed in Article 7, Paragraph 1 shall be listed in advance as</p>	<p data-bbox="479 759 813 1166">Article 4 Board meetings shall be convened on a quarterly basis. The meeting notice shall include the date, venue, agenda, and meeting documents, and shall be sent to all directors <u>and supervisors</u> at least seven days in advance. However, in case of an emergency, a written notice or other suitable means may be used to give notice to convene meetings at any time.</p> <p data-bbox="512 1174 813 1262">The meeting notice in the preceding paragraph may be in electronic form.</p> <p data-bbox="512 1270 813 1449">Except in cases of emergency or under circumstances supported by justifiable reasons, all discussion topics listed in Article 7, Paragraph 1 shall be listed in advance as</p>	<p data-bbox="841 759 1039 906">There are no longer any supervisor positions after the Audit Committee was established.</p>

Amended articles	Existing articles	Description
<p>part of the agenda and cannot be raised through a special motion.</p> <p>Any director may abandon the right in the preceding two paragraphs in writing before or after the meeting.</p> <p>(omitted below)</p>	<p>part of the agenda and cannot be raised through a special motion.</p> <p>Any director <u>and supervisor</u> may abandon the right in the preceding two paragraphs in writing before or after the meeting.</p> <p>(omitted below)</p>	
<p>Article 6 The following agenda items shall be covered as the minimum during regular Board meetings:</p> <p>I. Reported items:</p> <p>(l) Inquire directors in attendance for any dissenting opinions regarding the minutes of the previous Board meeting. If there a dissenting opinion is deemed reasonable by the chairman, a correction or supplement must be made; if it is deemed unreasonable, it shall be specified in the Board of Directors meeting minutes.</p> <p>(omitted below)</p>	<p>Article 6 The following agenda items shall be covered as the minimum during regular Board meetings:</p> <p>I. Reported items:</p> <p>(l) Inquire directors <u>and supervisors</u> in attendance for any dissenting opinions regarding the minutes of the previous Board meeting. If there a dissenting opinion is deemed reasonable by the chairman, a correction or supplement must be made; if it is deemed unreasonable, it shall be specified in the Board of Directors meeting minutes.</p> <p>(omitted below)</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 7 The following issues shall be raised for discussion in Board meetings:</p> <p>I. The Company's business</p>	<p>Article 7 The following issues shall be raised for discussion in Board meetings:</p> <p>I. The Company's business</p>	<p>1. Adjusted the wording in Paragraph 1, Subparagraph 2</p>

Amended articles	Existing articles	Description
<p>plan.</p> <p>II. Annual financial statements. (omitted)</p> <p>The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in board meetings may be excluded from calculation.</p> <p>At least one independent director shall personally attend the Board of Directors meeting. All independent directors shall attend the Board of Directors meeting for matters specified in Paragraph 1 as requiring the resolution of the Board of Directors. If an independent director cannot personally attend a meeting, he/she shall appoint another independent director to attend the meeting on his/her behalf. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do</p>	<p>plan.</p> <p>II. Annual <u>and semiannual financial statements. This does not apply to semi-annual financial statements that do not need auditing and attestation by an accountant in accordance with the law.</u></p> <p>(omitted)</p> <p>The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in board meetings may be excluded from calculation.</p> <p><u>For foreign companies whose shares have no par value or a par value other than NT\$10, 2.5% of shareholders' equity shall be used for calculation instead of 5% of paid-in capital in Paragraph 2.</u></p> <p>At least one independent director shall personally attend the Board of Directors meeting. All independent directors shall attend the Board of Directors meeting for matters specified in Paragraph 1 as requiring the resolution of the Board of Directors. If an independent director cannot personally attend a meeting, he/she shall appoint another independent director to</p>	<p>in coordination with the amendment to Article 14-5 of the Securities and Exchange Act.</p> <p>2. Deleted Paragraph 4 of this article.</p>

Amended articles	Existing articles	Description
<p>so. Such opinions shall also be recorded in board meeting minutes.</p>	<p>attend the meeting on his/her behalf. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes.</p>	
<p>Article 9 When convening a board meeting, departments relevant to the proposed agendas shall prepare adequate materials to be used by the attending directors. (omitted) The chairman may request persons specified in Paragraph 2 and Paragraph 3 to enter or leave the venue at any time.</p>	<p>Article 9 When convening a board meeting, departments relevant to the proposed agendas shall prepare adequate materials to be used by the attending directors. (omitted) <u>IV. Supervisors may attend Board meetings to ask questions and express their opinions.</u> The chairman may request persons specified in Paragraph 2 and Paragraph 3 to enter or leave the venue at any time.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 11 Directors, personnel listed in Paragraph 1 of Article 9, and assistants in the preceding article who attend Board meetings shall sign the attendance sheet.</p>	<p>Article 11 Directors, <u>supervisors</u>, personnel listed in Paragraph 1 of Article 9, and assistants in the preceding article who attend Board meetings shall sign the attendance sheet.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

Amended articles	Existing articles	Description
<p>Article 20 If a director, a corporate entity that the director represents, or the following persons or companies is considered an interested party in the discussed agenda, a full disclosure is required during the current meeting session. The director may not participate in discussions and voting if it is in conflict against the Company's interests. In which case, the director shall not exercise voting rights on behalf of other directors.</p> <p>I. Spouse, parents, children or relatives within the third degree of kinship.</p> <p>II. Enterprises from which the personnel described in the preceding subparagraph enjoy direct or indirect benefits.</p> <p>III. Enterprises where the personnel assume the adjunct position of chairman, executive director or senior manager. <u>However, this does not apply if the enterprise is an affiliate of the Company.</u></p> <p>(omitted below)</p>	<p>Article 20 If a director, a corporate entity that the director represents, or the following persons or companies is considered an interested party in the discussed agenda, a full disclosure is required during the current meeting session. The director may not participate in discussions and voting if it is in conflict against the Company's interests. In which case, the director shall not exercise voting rights on behalf of other directors.</p> <p>I. Spouse, parents, children or relatives within the third degree of kinship.</p> <p>II. Enterprises from which the personnel described in the preceding subparagraph enjoy direct or indirect benefits.</p> <p>III. Enterprises where the personnel assume the adjunct position of chairman, executive director or senior manager.</p> <p>(omitted below)</p>	<p>Adjusted the wording in Subparagraph 3, Paragraph 1 of this article after referencing the amendment to the parent company's regulations.</p>
<p>Article 21 If the voting requires the appointment of a ballot examiner and a ballot counter, such personnel shall be appointed by the chairman. The ballot examiner</p>	<p>Article 21 If the voting requires the appointment of a ballot examiner and a ballot counter, such personnel shall be appointed by the chairman. The ballot examiner shall also</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

Amended articles	Existing articles	Description
shall also be a director.	be a director <u>or supervisor</u> .	
<p>Article 23 All board meetings shall be recorded in the meeting minutes, which shall include detailed accounts of the following items:</p> <ol style="list-style-type: none"> I. The meeting session, time, and venue. II. Name of the chairman. III. Director attendance, including the names and number of the directors who are attending, on leave, and absent. IV. The names and titles of other participants invited to the meeting. V. Name of the minute taker. VI. The reported issues. VII. Discussions: The method of resolution and outcome for each motion; summary of opinions expressed by directors, experts, and other personnel; the names of interested directors in the discussed agenda as ruled by Article 20, Paragraph 1, descriptions of the interests involved, the reasons why a recusal is required, whether or not the director recused himself/herself from the discussion, and any objections or qualified opinions expressed on record or in writing. 	<p>Article 23 All board meetings shall be recorded in the meeting minutes, which shall include detailed accounts of the following items:</p> <ol style="list-style-type: none"> I. The meeting session, time, and venue. II. Name of the chairman. III. Director attendance, including the names and number of the directors who are attending, on leave, and absent. IV. The names and titles of other participants invited to the meeting. V. Name of the minute taker. VI. The reported issues. VII. Discussions: The method of resolution and outcome for each motion; summary of opinions expressed by directors, <u>supervisors</u>, experts, and other personnel; the names of interested directors in the discussed agenda as ruled by Article 20, Paragraph 1, descriptions of the interests involved, the reasons why a recusal is required, whether or not the director recused himself/herself from the discussion, and any objections or qualified opinions expressed on record or in writing. 	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

Amended articles	Existing articles	Description
<p>VIII. Special motion: The name of the person who raised the motion; the method of resolution and outcome for each motion; summary of opinions expressed by directors, experts, and other personnel; the names of interested directors in the discussed agenda as ruled by Article 20, Paragraph 1, descriptions of the interests involved, the reasons why a recusal is required, whether or not the director recused himself/herself from the discussion, and any objections or qualified opinions expressed on record or in writing.</p> <p>IX. Other details that need to be recorded in meeting minutes. (omitted below)</p>	<p>VIII. Special motion: The name of the person who raised the motion; the method of resolution and outcome for each motion; summary of opinions expressed by directors, <u>supervisors</u>, experts and other personnel; the names of interested directors in the discussed agenda as ruled by Article 20, Paragraph 1, descriptions of the interests involved, the reasons why a recusal is required, whether or not the director recused himself/herself from the discussion, and any objections or qualified opinions expressed on record or in writing.</p> <p>IX. Other details that need to be recorded in meeting minutes. (omitted below)</p>	
<p>Article 27 If a press release needs to be issued for any resolutions of the Board of Directors, it shall be released by the spokesperson. The management department must disclose on the MOPS any resolutions that constitute material information as defined by law or the rules of the Taiwan Stock Exchange Corporation. If an independent director has a</p>	<p>Article 27 If a press release needs to be issued for any resolutions of the Board of Directors, it shall be released by the spokesperson. The management department must disclose on the MOPS any resolutions that constitute material information as defined by law or the rules of the Taiwan Stock Exchange Corporation. <u>The same shall apply</u> if an independent</p>	<p>This article was amended in coordination with Article 16, Paragraph 2 of the TWSE's Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings.</p>

Amended articles	Existing articles	Description
<p>dissenting or qualified opinion on matters that must be submitted to the Board of Directors according to Article 14-3 of the Securities and Exchange Act that is on record or in a written statement, <u>or if there are matters not approved by the Audit Committee but approved by two thirds or more of all directors, related contents must be uploaded to the MOPS within two days of the Board meeting.</u></p>	<p>director has a dissenting or qualified opinion on matters that must be submitted to the Board of Directors according to Article 14-3 of the Securities and Exchange Act that is on record or in a written statement.</p>	
<p>Article 28 The agenda and minutes of Board meetings shall be submitted to the competent authority in accordance with regulations. Except for directors (and the corporate entities they represent), employees of the Company who were in attendance throughout the meeting, and the minutes taker, the agenda and minutes may not be distributed to other individuals without the approval of the Board of Directors.</p> <p>Board meeting minutes shall be distributed to the individuals in the preceding paragraph within 20 days after the meeting, and recipients must properly retain the meeting minutes.</p>	<p>Article 28 The agenda and minutes of Board meetings shall be submitted to the competent authority in accordance with regulations. Except for directors (and the corporate entities they represent), <u>supervisors (and the corporate entities they represent)</u>, employees of the Company who were in attendance throughout the meeting, and the minutes taker, the agenda and minutes may not be distributed to other individuals without the approval of the Board of Directors.</p> <p>Board meeting minutes shall be distributed to the individuals in the preceding paragraph within 20 days after the meeting, and recipients must properly retain the meeting minutes.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

(V). Report on amendments to the Guidelines for the Adoption of Codes of Ethical Conduct for Directors

Proposed by the Company's board of directors

See the attachment for the Company's Code of Ethical Conduct for Directors.

Description: Articles of the Company's Code of Ethical Conduct for Directors were amended in coordination with the Company establishing an Audit Committee to replace supervisors.

Attachment

China Ecotek Corporation

Comparison of articles of the Code of Ethical Conduct for Directors before and after amendment

Amended articles	Existing articles	Description
Title: Code of Ethical Conduct for Directors	Title: Code of Ethical Conduct for Directors <u>and Supervisors</u>	There are no longer any supervisor positions after the Audit Committee was established.
Article 1 This Code was established to encourage honesty and ethical conduct among directors, and thereby improve corporate governance.	Article 1 This Code was established to encourage honesty and ethical conduct among directors <u>and supervisors</u> , and thereby improve corporate governance.	There are no longer any supervisor positions after the Audit Committee was established.
Article 2 Directors shall comply with the following basic principles when performing duties: I. Protect the rights and interests of shareholders. II. Reinforce the role of the board of directors. III. Allow the <u>Audit Committee</u> to serve its function. IV. Respect the rights and	Article 2 Directors <u>and supervisors</u> shall comply with the following basic principles when performing duties: I. Protect the rights and interests of shareholders. II. Reinforce the role of the board of directors. III. Allow <u>supervisors</u> to serve their functions. IV. Respect the rights and	Established the Audit Committee to replace supervisors.

interests of stakeholders. V. Increase information transparency.	interests of stakeholders. V. Increase information transparency.	
Article 3 Directors shall perform their duties in the Company's interests, and may not damage the Company's interests for the interests of any specific person or group. Directors shall fairly treat all shareholders when performing their duties.	Article 3 Directors <u>and supervisors</u> shall perform their duties in the Company's interests, and may not damage the Company's interests for the interests of any specific person or group. Directors <u>and supervisors</u> shall fairly treat all shareholders when performing their duties.	There are no longer any supervisor positions after the Audit Committee was established.
Article 4 Directors shall exercise the due care of a good administrator when performing their duties, uphold the principles of integrity and fairness, maintain high level of self-discipline, and comply with laws and regulations, the Company's Articles of Incorporation, and resolutions of the shareholders' meeting.	Article 4 Directors <u>and supervisors</u> shall exercise the due care of a good administrator when performing their duties, uphold the principles of integrity and fairness, maintain high level of self-discipline, and comply with laws and regulations, the Company's Articles of Incorporation, and resolutions of the shareholders' meeting.	There are no longer any supervisor positions after the Audit Committee was established.
Article 5 Directors shall faithfully perform their duties in the interests of all shareholders. In the event of a conflict of interest with the Company, directors shall put the Company's interests first, and shall prevent the following employees or enterprises from gaining illegal benefits through their authority: (omitted below)	Article 5 Directors <u>and supervisors</u> shall faithfully perform their duties in the interests of all shareholders. In the event of a conflict of interest with the Company, directors <u>and supervisors</u> shall put the Company's interests first, and shall prevent the following employees or enterprises from gaining illegal benefits through their authority: (omitted below)	There are no longer any supervisor positions after the Audit Committee was established.
Article 6 Directors shall provide procurement, supply, cooperation, strategic alliance, merger and acquisition, or other	Article 6 Directors <u>and supervisors</u> shall provide procurement, supply, cooperation, strategic alliance,	There are no longer any supervisor positions after the Audit Committee

<p>business or profit opportunities that they become aware of when performing their duties to the Company first, in order to maintain the Company's interests, and may not use the opportunities for personal gain or the gain of a third party.</p>	<p>merger and acquisition, or other business or profit opportunities that they become aware of when performing their duties to the Company first, in order to maintain the Company's interests, and may not use the opportunities for personal gain or the gain of a third party.</p>	<p>was established.</p>
<p>Article 7 If directors engage in competitive behavior with the Company, it shall first be reported to the shareholders' meeting to obtain approval in accordance with Article 209, Paragraph 1 of the Company Act.</p>	<p>Article 7 If directors engage in competitive behavior with the Company, it shall first be reported to the shareholders' meeting to obtain approval in accordance with Article 209, Paragraph 1 of the Company Act. <u>If supervisors engage in competitive behavior with the Company, it shall be handled in accordance with the preceding paragraph, and the special resolution method set forth in Article 209, Paragraphs 2 and 3 of the Company may be applied mutatis mutandis.</u></p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 8 Directors shall maintain the confidentiality of the Company's confidential information, unless authorized or required by law to disclose such information, and may not use the confidential information for personal gain or the gain of a third party.</p>	<p>Article 8 Directors <u>and supervisors</u> shall maintain the confidentiality of the Company's confidential information, unless authorized or required by law to disclose such information, and may not use the confidential information for personal gain or the gain of a third party.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 9 Directors shall ensure the rights and interests of shareholders, and shall respect the rights and interests of banks the Company has business dealings with, creditors,</p>	<p>Article 9 Directors <u>and supervisors</u> shall ensure the rights and interests of shareholders, and shall respect the rights and interests of banks the Company has business</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

<p>employees, consumers, suppliers, subsidiaries, and communities.</p>	<p>dealings with, creditors, employees, consumers, suppliers, subsidiaries, and communities.</p>	
<p>Article 10 Directors shall comply with the prevention of insider trading related laws and other securities laws related to stock trading and handling of trade secrets. In case of obtaining any important undisclosed information, directors shall not engage in any relevant securities trading.</p>	<p>Article 10 Directors <u>and supervisors</u> shall comply with the prevention of insider trading related laws and other securities laws related to stock trading and handling of trade secrets. In case of obtaining any important undisclosed information, directors <u>and supervisors</u> shall not engage in any relevant securities trading.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 12 Natural persons who represent institutional directors in performing duties shall comply with this Code.</p> <p>The provisions of this Code shall be applicable, mutatis mutandis, to the corporate shareholders represented by the natural persons.</p>	<p>Article 12 Natural persons who represent institutional directors or supervisors in performing duties shall comply with this Code.</p> <p>The provisions of this Code shall be applicable, mutatis mutandis, to the corporate shareholders <u>or supervisors</u> represented by the natural persons.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>
<p>Article 13 If a director wishes to be exempted from Article 5, the director shall fully disclose his/her interest in the legal actions of persons or companies listed in Article 5, provide a reason that is not in conflict with the Company's interests and is in line with regular business practices, and obtain approval from the Board of Directors. However, for legal actions between directors and the Company specified in Article 223 of the Company Act, the <u>convener of the Audit</u></p>	<p>Article 13 If a director <u>or supervisor</u> wishes to be exempted from Article 5, the director shall fully disclose his/her interest in the legal actions of persons or companies listed in Article 5, provide a reason that is not in conflict with the Company's interests and is in line with regular business practices, and obtain approval from the Board of Directors. However, for legal actions between directors and the Company specified in Article 223 of the Company Act, <u>supervisors</u></p>	<p>1. The requirement to disclose on the MOPS the names and positions of persons approved by the Board of Directors to be exempted from complying with the Company's Code of Ethical Conduct was deleted in coordination with the enactment of</p>

<p><u>Committee</u> shall represent the Company.</p> <p>If a director wishes to be exempted from Article 6, the director shall explain the contents of the opportunity to the Board of Directors, provide a reason that is not conflict with and does not impact the Company's interests, and obtain approval from the Board of Directors.</p> <p>After the Board of Directors approves exemptions for preceding two paragraphs, the Company shall disclose the date the exemption was approved by the Board of Directors, <u>any dissenting or qualified opinions of independent directors</u>, period of the exemption, reason for the exemption, and applicability of the exemption on the MOPS.</p>	<p>shall represent the Company.</p> <p>If a director <u>or supervisor</u> wishes to be exempted from Article 6, the director shall explain the contents of the opportunity to the Board of Directors, provide a reason that is not conflict with and does not impact the Company's interests, and obtain approval from the Board of Directors.</p> <p>After the Board of Directors approves exemptions for preceding two paragraphs, the Company shall disclose <u>the names and positions of persons who were exempted</u>, the date the exemption was approved by the Board of Directors, period of the exemption, reason for the exemption, and applicability of the exemption on the MOPS.</p>	<p>the Personal Data Protection Act, and after referencing Articles 3 of the Code of Ethical Conduct for TWSE/GTSM Listed Companies.</p> <p>2. Pursuant to Article 3 of the Code of Ethical Conduct for TWSE/GTSM Listed Companies, added the requirement to disclose "dissenting or qualified opinions of independent directors" on the MOPS after directors are exempted from complying with the Code of Ethical Conduct for Directors.</p>
<p>Article 14 This Code shall be disclosed on the <u>Company's website</u>, annual report, prospectus and Market <u>Observation</u> Post System (MOPS) website, and the same requirements shall be applied to amendments thereof.</p>	<p>Article 14 This Code shall be disclosed on the annual report, prospectus and Market Observation Post System (MOPS) <u>website</u>, and the same requirements shall be applied to amendments thereof.</p>	<p>1. Pursuant to Article 4 of the Code of Ethical Conduct for TWSE/GTSM Listed Companies, added the</p>

		<p>requirement to disclose the Code of Ethical Conduct on the company website.</p> <p>2. Corrected the name of MOPS.</p>
<p>Article 15 This Code shall be approved by the board of directors before implementation, and shall be reported to the shareholders' meeting. The same shall apply to any subsequent amendments.</p>	<p>Article 15 This Code shall be approved by the board of directors before implementation, and shall be <u>submitted to all supervisors</u> and reported to the shareholders' meeting. The same shall apply to any subsequent amendments.</p>	<p>There are no longer any supervisor positions after the Audit Committee was established.</p>

(VI). Report on amendments to the Guidelines for the Adoption of Codes of Ethical Conduct for Employees

Proposed by the Company's board of directors

See the attachment for the Company's Code of Ethical Conduct for Employees.

Description: Articles of the Company's Code of Ethical Conduct for Employees were amended in coordination with the Company establishing an Audit Committee to replace supervisors.

Attachment

China Ecotek Corporation

Comparison of articles of the Code of Ethical Conduct for Employees before and after amendment

Amended articles	Existing articles	Description
<p>Article 6 Prevention of Conflict of Interest Personnel of the Company shall handle duties based on an objective and efficient method, and shall prevent the following employees or enterprises from gaining illegal benefits through their job positions at the Company:</p> <p>I. Employees and their spouse, parents, children or relatives within the third degree of kinship.</p> <p>II. Enterprises from which the personnel described in the preceding enjoy direct or indirect benefits.</p> <p>III. Enterprises</p>	<p>Article 6 Prevention of Conflict of Interest Personnel of the Company shall handle duties based on an objective and efficient method, and shall prevent the following employees or enterprises from gaining illegal benefits through their job positions at the Company:</p> <p>I. Employees and their spouse, parents, children or relatives within the second degree of kinship.</p> <p>II. Enterprises from which the personnel described in the preceding enjoy direct or indirect benefits.</p> <p>III. Enterprises</p>	<p>Pursuant to Article 10, Paragraph 2 of the Procedures for Ethical Corporate Management and Code of Conduct, the amendment included family members of directors within the three degree of kinship as stakeholders. Both directors and employees are required to avoid conflict of interest when performing their duties, so stakeholders of employees were</p>

Amended articles	Existing articles	Description
<p>where the personnel assume the adjunct position of chairman, executive director or senior manager.</p> <p>The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the practitioners or enterprises described in the preceding paragraph.</p>	<p>where the personnel assume the adjunct position of chairman, executive director or senior manager.</p> <p>The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the practitioners or enterprises described in the preceding paragraph.</p>	<p>also revised to family members within the third degree of kinship.</p>
<p>Article 16 Disciplinary Measures</p> <p>I. Personnel of the Company shall have the responsibility and obligation to comply with the aforementioned code of conduct.</p> <p>II. In case of violations of this Code that are verified to be true, for the ethical standards required to be complied by the personnel, in addition to the regulations of this Code, relevant requirements of other rules of the Company shall be applied.</p> <p>III. This Code shall be disclosed on the Company's website, annual report, prospectus and Market Observation Post System (MOPS) website, and the same requirements shall be applied to amendments</p>	<p>Article 16 Disciplinary Measures</p> <p>I. Personnel of the Company shall have the responsibility and obligation to comply with the aforementioned code of conduct.</p> <p>II. In case of violations of this Code that are verified to be true, for the ethical standards required to be complied by the personnel, in addition to the regulations of this Code, relevant requirements of other rules of the Company shall be applied.</p> <p>III. This Code shall be disclosed on the Company's website, annual report, prospectus and Market Observation Post System (MOPS) website, and the same requirements shall be applied to amendments</p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions. The Audit Committee is formed by independent directors, which are also members of the Board of Directors.</p>

Amended articles	Existing articles	Description
<p>thereof.</p> <p>IV. This Code shall be approved by the board of directors before implementation, and shall be reported to the shareholders' meeting. The same shall apply to any subsequent amendments.</p>	<p>thereof.</p> <p>IV. This Code shall be approved by the board of directors before implementation, and shall be submitted to all supervisors <u>and</u> reported to the shareholders' meeting. The same shall apply to any subsequent amendments.</p>	

(VII). Report on amendments to the Corporate Governance Code of Practice.

Proposed by the Company's board of directors

See the attachment for the Company's Corporate Governance Best Practice Principles.

Description: Proposal to amend the Company's Corporate Governance Best Practice Principles in accordance with the amendment to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in Order Tai-Zheng-Zhi-Li-Zi No. 1090002299 from the Taiwan Stock Exchange dated February 13, 2020, and in coordination with the establishment of an Audit Committee to replace supervisors.

Attachment

China Ecotek Corporation

Comparison of articles of the Corporate Governance Best Practice Principles before and after amendment

Amended articles	Existing articles	Description
Title: China Ecotek Corporation <u>Corporate</u> Governance Best Practice Principles	Title: China Ecotek Corporation Governance Best Practice Principles	Changed the name from "Governance Best Practice Principles" to "Corporate Governance Best Practice Principles" to eliminate any doubt.

<p>Article 3 (Establishment of the Internal Control System)</p> <p>The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.</p> <p>The Company shall perform full self-assessments of its internal control system. The board of directors and management shall review the results of self-assessments by each department and reports of the internal audit department at least annually, <u>and shall be monitored and supervised by the Audit Committee.</u> Directors shall periodically discuss reviews of internal control system deficiencies with the <u>chief</u> internal auditor, track and make improvements, and report the <u>implementation of audits</u> during Board meetings.</p> <p><u>The Company should establish communication channels and mechanisms for independent directors, the Audit Committee and the chief internal auditor, and</u></p>	<p>Article 3 (Establishment of the Internal Control System)</p> <p>The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.</p> <p><u>The establishment or amendment of the internal control system of the Company shall be submitted and passed by a resolution of the board of directors. If an independent director expresses his/her dissenting opinion or qualified opinion, such opinion shall be recorded in the board of directors' meeting minutes.</u></p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department and the reports of the internal audit department at least annually. <u>Directors and supervisors</u> shall periodically discuss reviews of internal control system deficiencies with internal auditors, <u>and a record of the discussions shall be kept,</u></p>	<p>This article was amended according to Article 3 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
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<p><u>disclose relevant information on the company website and annual report.</u></p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p> <p><u>The appointment, evaluation, and remuneration of internal auditors are submitted by the chief auditor to the chairman for approval, in which the appointment and dismissal of the chief chairman shall be approved by the chairman, Audit Committee, and the Board of Directors.</u></p>	<p>track and make improvements, and report it during Board meetings.</p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p> <p><u>To implement the internal control system, to strengthen the professional abilities of the deputies of the internal auditors and to further improve and maintain the quality and execution result of the audit, the Company shall have deputies in place for the duties of the internal auditors.</u></p> <p><u>The regulations of the required qualification for internal auditors specified in Paragraph 6 of Article 11 of the Regulations Governing Establishment of Internal Control Systems by Public Companies and Article 16, Article 17 and Article 18 thereof shall be applied to the deputy personnel described in the preceding paragraph.</u></p>	
<p>Article 3-1 (Personnel Responsible for Corporate Governance Related Affairs)</p>	<p>Article 3-1 (Personnel Responsible for Corporate Governance Related Affairs)</p>	<p>This article was amended according to</p>

<p>The Company <u>should appoint an appropriate number of competent corporate governance personnel, and shall appoint a corporate governance supervisor as the highest level manager of corporate governance affairs in accordance with regulations of the competent authority and TWSE. The corporate governance supervisor must either be a lawyer, accountant, or held a managerial position in the legal affairs, compliance, internal audit, finance, stock affairs, or corporate governance department of a securities, financial, or futures institution or public company for three years and above.</u></p> <p>Corporate governance affairs in the preceding paragraph <u>shall</u> include at least the following items:</p> <p>I. <u>Handling matters relating to board meetings and shareholders' meetings in accordance with the law.</u></p> <p>II. <u>Preparing minutes of board meetings and shareholders' meetings.</u></p> <p>III. <u>Assisting in the appointment and continuing education of directors.</u></p> <p>IV. Providing directors with the data they need to perform their duties.</p> <p>V. <u>Assisting directors with compliance.</u></p> <p>VI. Other matters set out in the Articles of Incorporation or contracts.</p>	<p>The Company <u>may establish corporate governance dedicated (adjunct) unit or personnel to be responsible for the corporate governance related affairs, and the Vice President of the Management Department shall be responsible for the supervision thereof.</u></p> <p>Corporate governance affairs in the preceding paragraph <u>should</u> include at least the following items:</p> <p>I. <u>Handling company registration and change of registration.</u></p> <p>II. <u>Handling matters relating to board meetings and shareholders' meetings in accordance with the law and assisting the Company in complying with relevant laws for the convention of board meetings and shareholders' meetings.</u></p> <p>III. <u>Preparing minutes of board meetings and shareholders' meetings.</u></p> <p>IV. <u>Providing directors with the data they need to perform their duties and latest development of laws related to corporate management in order to assist directors with compliance.</u></p> <p>V. <u>Handle matters related to investor relationship.</u></p> <p>VI. Other matters set out in the Articles of Incorporation or contracts.</p>	<p>Article 3-1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
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<p>Article 6 (The Company's Board of Directors shall properly arrange shareholders' meeting proposals and procedures) (Paragraph 1 omitted) Shareholders' meetings convened by the board of directors should be chaired by the chairman in person and attended by a majority of the directors (including at least one independent director) <u>and the convener of the Audit Committee, and at least one member from each functional committee.</u> The attendance shall be recorded in the meeting minutes.</p>	<p>Article 6 (The Company's Board of Directors shall properly arrange shareholders' meeting proposals and procedures) (Paragraph 1 omitted) Shareholders' meetings convened by the board of directors should be chaired by the chairman in person and attended by a majority of the directors (including at least one independent director). The attendance shall be recorded in the meeting minutes.</p>	<p>This article was revised in coordination with the establishment of the Company's Audit Committee according to the amendment to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 7 (The Company shall encourage shareholders to participate in corporate governance) The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders' meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully utilizing technologies for information disclosure, and <u>should</u> upload <u>annual reports, annual financial statements,</u> notices, agendas and supplementary information of shareholders' meetings in both</p>	<p>Article 7 (The Company shall encourage shareholders to participate in corporate governance) The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders' meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully utilizing technologies for information disclosure <u>and voting,</u> and should upload notices, agendas and supplementary information of shareholders' meetings in both Chinese and English, in order to</p>	<p>This article was amended according to Article 7 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>Chinese and English, <u>and shall adopt electronic voting</u>, in order to increase shareholders' attendance rates at shareholders' meetings and ensure the exercise of their rights at such meetings in accordance with the law.</p> <p>The Company uses the candidate nomination system for director election. Raising extraordinary motions and amendments to original proposals <u>should</u> be avoided <u>during shareholders' meetings</u>.</p> <p>The Company should arrange for their shareholders to vote on each separate proposal in the shareholders' meeting agenda and following the conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS).</p>	<p>increase shareholders' attendance rates at shareholders' meetings and ensure the exercise of their rights at such meetings in accordance with the law.</p> <p>The Company uses the candidate nomination system for director election. <u>When electronic voting is adopted</u>, avoid raising extraordinary motions and amendments to original proposals during shareholders' meetings.</p> <p>The Company should arrange for their shareholders to vote on each separate proposal in the shareholders' meeting agenda and following the conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS).</p> <p><u>Where the Company issues shareholders' meeting souvenirs to shareholders, there shall be no differentiated treatment or discrimination.</u></p>	
<p>Article 11 (Shareholders shall be entitled to earnings distributions by the Company)</p> <p>Shareholders shall be entitled to earnings distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the</p>	<p>Article 11 (Shareholders shall be entitled to earnings distributions by the Company)</p> <p>Shareholders shall be entitled to earnings distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of</p>	<p>This article was revised in coordination with the establishment of the Company's Audit Committee according to the amendment to the Corporate</p>

<p>board of directors <u>and reports submitted by the Audit Committee</u>, and may decide profit distributions and deficit off-setting plans. In order to proceed with the above examination, the shareholders' meeting may appoint an inspector.</p> <p>The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounts and assets, <u>specific matters, transaction documents, and records</u> of the Company.</p> <p>The Company's board of directors, <u>Audit Committee</u>, and managers shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any <u>circumvention, obstruction or rejection</u>.</p>	<p>directors, and may decide profit distributions and deficit off-setting plans. In order to proceed with the above examination, the shareholders' meeting may appoint an inspector.</p> <p>The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounts and assets of the Company.</p> <p>The board of directors and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any <u>circumvention, obstruction or rejection</u>.</p>	<p>Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 15 (Managerial officers shall not concurrently serve as manager of an affiliated enterprise)</p> <p><u>The Company's managerial officers shall not concurrently serve as the manager of an affiliated enterprise.</u></p> <p>A director taking any action on behalf of himself or another person that falls within the scope of the Company's business shall explain to the shareholders' meeting the material terms of the act and gain approval.</p>	<p>Article 15 (Managerial officers shall not concurrently serve as manager of an affiliated enterprise)</p> <p>A director taking any action on behalf of himself or another person that falls within the scope of the Company's business shall explain to the shareholders' meeting the material terms of the act and gain approval.</p>	<p>This article was amended according to Article 15, Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 18 (Required compliance for institutional shareholder with</p>	<p>Article 18 (Required compliance for institutional shareholder with</p>	<p>Supervisor positions were</p>

<p>controlling power over the Company)</p> <p>An institutional shareholder with controlling power over the Company shall comply with the following provisions:</p> <p>I. It shall bear the duty of good faith to other shareholders, and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or is not profitable.</p> <p>II. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.</p> <p>III. It shall comply with the relevant laws, regulations and the articles of incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders' meeting or board meeting.</p> <p>IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.</p> <p>V. It shall not restrict or impede the management or production of the Company by methods of unfair competition</p>	<p>controlling power over the Company)</p> <p>An institutional shareholder with controlling power over the Company shall comply with the following provisions:</p> <p>I. It shall bear the duty of good faith to other shareholders, and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or is not profitable.</p> <p>II. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director <u>or supervisor.</u></p> <p>III. It shall comply with the relevant laws, regulations and the articles of incorporation of the Company in nominating directors <u>or supervisors</u> and shall not act beyond the authority granted by the shareholders' meeting or board meeting.</p> <p>IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.</p> <p>V. It shall not restrict or impede the management or production of the Company by methods of unfair competition such</p>	<p>removed after the Company established an Audit Committee.</p>
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<p>such as monopolizing corporate procurement or foreclosing sales channels.</p> <p>VI. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</p>	<p>as monopolizing corporate procurement or foreclosing sales channels.</p> <p>VI. The representative that is designated when a corporate shareholder has been elected as a director <u>or supervisor</u> shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</p>	
<p>Article 20 (Abilities required for the entire board of directors)</p> <p>The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders' meetings.</p> <p>(omitted below)</p>	<p>Article 20 (Abilities required for the entire board of directors)</p> <p>The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders' <u>meeting</u>. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders' meetings.</p> <p>(omitted below)</p>	<p>This article was amended according to Article 21, Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.</p>
<p>Article 22 (Specify the candidate nomination system for the election of directors in the Articles of Incorporation)</p> <p>The Company specified in the Articles of Incorporation that the candidate nomination system is used for the <u>election of directors</u> in accordance with <u>laws of the competent authority</u>. The Company shall carefully review the qualifications and the existence of</p>	<p>Article 22 (Specify the candidate nomination system for the election of directors in the Articles of Incorporation)</p> <p>The Company has specified in the Articles of Incorporation that the candidate nomination system is used for the <u>election of directors</u> in accordance with the <u>Company Act</u>. The Company shall carefully review the qualifications, <u>academic background, and work experience</u></p>	<p>This article was amended according to Article 22 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.</p>

<p>any matters set forth in Article 30 of the Company Act, <u>and shall handle the matters in accordance with Article 192-1 of the Company Act.</u></p>	<p>of <u>director candidates nominated by shareholders or directors</u>, and the existence of any other matters set forth in Article 30 of the Company Act, <u>and shall not additionally list other qualification criteria proof documents.</u> <u>In addition, the review results shall be submitted to the shareholders for review in order to elect competent directors.</u></p> <p><u>The board of directors shall assess carefully the qualifications and other matters listed in the preceding paragraph and the willingness of a candidate to act as a director after being so elected, before proposing a roster of director candidates as required.</u></p>	
<p>Article 23 (The Company's board of directors shall clearly distinguish the authorization and responsibilities of functional committees, chairman, and president).</p> <p>Clear distinctions shall be drawn between the duties and responsibilities of the Company's chairman and president.</p> <p>The chairman should not concurrently serve as the president. If the two positions of chairman <u>and</u> president are held by the same person or by two persons in a spousal relationship or by persons within the first degree of kinship, the number of independent directors should be increased.</p> <p>The Company shall clearly</p>	<p>Article 23 (The Company's board of directors shall clearly distinguish the authorization and responsibilities of functional committees, chairman, and president).</p> <p>Clear distinctions shall be drawn between the duties and responsibilities of the Company's chairman and president.</p> <p>The chairman should not concurrently serve as the president. If the two positions of chairman <u>and</u> president are held by the same person or by two persons in a spousal relationship or by persons within the first degree of kinship, the number of independent directors should be increased.</p> <p>The Company shall clearly define the duties and</p>	<p>This article was amended according to Article 23 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>define the duties and responsibilities of functionals committee when they are established.</p>	<p>responsibilities of functionals committee when they are established.</p>	
<p>Article 24 (The Company <u>shall</u> appoint independent directors according to the Articles of Incorporation)</p> <p>The Company <u>shall</u> appoint independent directors in accordance with its Articles of Incorporation. The number of independent directors shall not be less than <u>three</u> in number and shall not be less than one-fifth of the total number of directors.</p> <p>Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, an independent director should not concurrently hold the position of director (including independent director) <u>or supervisor</u> of more than <u>five</u> TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.</p> <p>If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate any director, supervisor or managerial officer of each other as a candidate for an independent</p>	<p>Article 24 (The Company <u>may</u> appoint independent directors according to the Articles of Incorporation)</p> <p>The Company <u>may</u> appoint independent directors in accordance with the Articles of Incorporation. The number of independent directors shall not be less than <u>two</u> in number and shall not be less than one-fifth of the total number of directors.</p> <p>Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, an independent director should not concurrently hold the position of director (including independent director) of more than <u>three</u> TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.</p> <p><u>The election of independent directors of the Company shall adopt the candidate nomination system according to Article 192-1 of the Company Act, and shall be expressly stated in the Articles of Incorporation. Shareholders shall elect independent directors from among those listed in the roster of</u></p>	<p>This wording of the heading and paragraph 1 of this article was amended according to Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. The provision that independent directors should not concurrently hold the position of director or supervisor of more than five TWSE/TPEX listed companies was also added; Paragraphs 3 and 7 were thus deleted.</p>

director for the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the independent director candidate. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50% of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Independent directors and non-independent directors shall not exchange their positions during their terms as directors.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the

independent directors. Election for the independent directors and non-independent directors shall be conducted according to Article 198-1 of the Company Act, and the number of elected independent directors and non-independent directors shall be counted separately.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate any director, supervisor or managerial officer of each other as a candidate for an independent director for the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the independent director candidate. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50% of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Independent directors and non-independent directors shall not exchange their positions during

<p>rules and regulations of the Taiwan Stock Exchange.</p>	<p>their terms as directors.</p> <p><u>When any independent director is dismissed for any reason, causing the number to fall below the number as required by Paragraph 1 or the Articles of Incorporation, the company shall hold a by-election for independent directors at the next shareholders meeting. When all independent directors are dismissed, the Company shall convene a special shareholders' meeting within 60 days of the occurrence of the fact to hold a by-election for independent directors.</u></p> <p>The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.</p>	
<p>Article 26 (Remuneration of independent directors)</p> <p>The Company or other board members shall not obstruct, <u>reject, or circumvent</u> the performance of duties by independent directors.</p> <p>The Company specified that <u>the individual performance of directors and the Company's long-</u></p>	<p>Article 26 (Remuneration of independent directors)</p> <p>The Company or other board members shall not <u>restrict or</u> obstruct the performance of duties by independent directors.</p> <p>The remuneration of the Company's independent directors shall be determined by the board of</p>	<p>This article was amended according to Article 26 of the Corporate Governance Best-Practice Principles for TWSE/TPEX</p>

<p><u>term business performance, as well as the Company's business risks shall be taken into consideration when determining the remuneration of directors in accordance with related laws and regulations. Reasonable remuneration that is different from regular directors may be provided to independent directors.</u></p>	<p><u>directors according to relevant standards adopted in the industry and TWSE/TPE listed companies.</u></p>	<p>Listed Companies.</p>
<p>Article 27 (<u>Establishment of functional committees</u>)</p> <p>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the Company's scale and type of operations, and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.</p> <p>Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval. <u>However, this does not apply to the Audit Committee performing the duties of supervisors in accordance with</u></p>	<p>Article 27 (Functional committees)</p> <p>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the Company's scale and type of operations, and <u>the size of the board of directors and number of independent directors</u>, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.</p> <p>Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval.</p> <p>(omitted below)</p>	<p>This article was amended according to Article 27, Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. Added contents to Paragraph 2 in coordination with the Audit Committee.</p>

<p><u>Article 14-4, Paragraph 4 of the Securities and Exchange Act.</u> (omitted below)</p>		
<p>Article 28 (<u>Audit Committee</u>) <u>The Audit Committee shall be formed by all independent directors and may not consist of less than three members. One member shall serve as the convener and at least one member must have an expertise in accounting or finance.</u> <u>The Audit Committee and independent director members shall exercise its powers in accordance with the Securities and Exchange Act, Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and regulations of the TWSE.</u></p>	<p>Article 28 (<u>Supervisors</u>) <u>The Company uses the candidate nomination system to elect supervisors to three-year terms. The shareholders' meeting may elect individuals with legal capacity as supervisors to consecutive terms in accordance with the Company Act.</u></p>	<p>This article was amended in coordination with the Company establishing an Audit Committee.</p>
<p>Article 29 (Establishment of a Remuneration Committee) The company has established a Remuneration Committee, <u>in which more than half of the members shall be independent directors.</u> The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter” and the regulations</p>	<p>Article 29 (Establishment of a Remuneration Committee) The Company has established a Remuneration Committee. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter” and the regulations of the Remuneration Committee Charter of the Company.</p>	<p>This article was amended in accordance with Article 12, Paragraph 1 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of</p>

<p>of the Remuneration Committee Charter of the Company.</p>	<p><u>The Remuneration Committee shall act as a prudent administrator with due care to perform the responsibilities specified in Paragraph 1 of Article 5 of the Remuneration Committee Charter of the Company faithfully, and shall submit recommendations to the board of directors for discussion.</u></p> <p><u>During the performance of the duties described in the preceding paragraph, the Remuneration Committee shall execute according to the principles specified in Paragraph 2 of Article 5 of the Remuneration Committee Charter of the Company.</u></p>	<p>Powers.</p>
<p>Article 32 (Provide appropriate legal service to the Company)</p> <p>It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.</p> <p>When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute</p>	<p>Article 32 (Provide appropriate legal service to the Company)</p> <p>It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.</p> <p>When, as a result of performing their lawful duties, directors, <u>supervisors</u> or the management are involved in litigation or a dispute with shareholders such that a party is</p>	<p>This article was amended according to Article 30 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>with shareholders such that a party is involved in any litigations or legal proceedings, the Company may provide compensation to all of the actual and necessary expenses, including attorney fee, borne by such personnel due to the litigations or legal proceedings or due to the filing of appeals thereof. However, where it is due to malpractice or violation of job duties of such personnel, the personnel shall bear all expenses and liabilities on his or her own. The compensation right of such personnel described in this article shall not exclude any other rights and interests entitled to such personnel.</p> <p><u>The Audit Committee or its independent directors may engage lawyers, accountants, or other professionals to conduct necessary audits or provide consultation, so as to assist the Committee in performing its duties, and the expenses shall be borne by the Company.</u></p>	<p>involved in any litigations or legal proceedings, the Company may provide compensation to all of the actual and necessary expenses, including attorney fee, borne by such personnel due to the litigations or legal proceedings or due to the filing of appeals thereof. However, where it is due to malpractice or violation of job duties of such personnel, the personnel shall bear all expenses and liabilities on his or her own. The compensation right of such personnel described in this article shall not exclude any other rights and interests entitled to such personnel.</p>	
<p>Article 35 (Independent directors and board of directors) (Paragraph 1 omitted)</p> <p>For a resolution of the board of directors, <u>if any one of the following situations occur</u>, the decisions made by the board of directors shall be noted in the meeting minutes, and publicly announced and filed on the MOPS <u>two hours</u> before the beginning of trading hours on the first business</p>	<p>Article 35 (Independent directors and board of directors) (Paragraph 1 omitted)</p> <p>For a resolution of the board of directors, <u>where an independent director has a dissenting or qualified opinion which is on record or stated in a written statement</u>, the decisions made by the board of directors shall be noted in the meeting minutes, and publicly announced and filed on the MOPS</p>	<p>This article was amended according to Article 33, Paragraph 2 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>day after the date of the board meeting:</p> <p><u>I. Objections or qualified opinions expressed by independent directors on record or in writing.</u></p> <p><u>II. Matters not approved by the Audit Committee but approved by at least two thirds of all directors.</u></p> <p>(omitted below)</p>	<p>two hours before the beginning of trading hours on the first business day after the date of the board meeting.</p> <p>(omitted below)</p>	
<p>Article 37 (Matters required for submission to the board of directors' meeting for discussion)</p> <p>The Company shall submit the following items for discussion by the board of directors:</p> <p>I. The Company's business plans.</p> <p>II. Annual financial statements.</p> <p>III. Establishment or revision of the internal control system, <u>and the evaluation of the internal control system's effectiveness.</u></p> <p>IV. Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others or endorsements or guarantees for others.</p> <p>V. Offering, issuance, or private placement of securities with equity characteristics.</p> <p><u>VI. Performance evaluation and remuneration</u></p>	<p>Article 37 (Matters required for submission to the board of directors' meeting for discussion)</p> <p>The Company shall submit the following items for discussion by the board of directors:</p> <p>I. The Company's business plans.</p> <p>II. Annual financial statements.</p> <p>III. Establishment or revision of the internal control system.</p> <p>IV. Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others or endorsements or guarantees for others.</p> <p>V. Offering, issuance, or private placement of securities with equity characteristics.</p> <p><u>VI. Appointment and removal of the financial, accounting, or internal auditing officers.</u></p>	<p>This article was amended according to Article 35, Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p><u>standards for managerial officers.</u></p> <p><u>VII. Structure and system of directors' remuneration.</u></p> <p><u>VIII.</u> Appointment and removal of the financial, accounting, or internal auditing officers.</p> <p><u>IX.</u> Donations to related parties or major donations to non-related parties. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board meeting.</p> <p><u>X.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by <u>resolution</u> at a shareholders meeting or a Board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>(omitted below)</p>	<p><u>VII.</u> Donations to related parties or major donations to non-related parties. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board meeting.</p> <p><u>VIII.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or <u>to be submitted to</u> a Board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>(omitted below)</p>	
<p>Article 39 (Members of the board of directors shall faithfully conduct corporate affairs and exercise the duty of care of a good administrator)</p> <p>(Paragraph 1 omitted)</p> <p><u>Performance evaluations for the Company's directors shall be conducted in accordance with the Company's Regulations Governing the Evaluation of Board Performance.</u></p>	<p>Article 39 (Members of the board of directors shall faithfully conduct corporate affairs and exercise the duty of care of a good administrator)</p> <p>(Paragraph 1 omitted)</p> <p><u>Board resolutions involving corporate management and development or the direction of major policies shall be considered with great care, and shall not be allowed to influence the promotion or implementation of corporate governance.</u></p>	<p>Paragraph 2 was deleted according to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. This paragraph was added in coordination with the</p>

		establishment of the "China Ecotek Corporation Regulations Governing the Evaluation of Board Performance."
<p>Article 40 (Request or inform board of directors to discontinue its implementation of resolution) (Paragraph 1 omitted)</p> <p>When a Board member discovers that the Company is at risk of sustaining material damages, it shall be handled according to the preceding paragraph, and shall be immediately reported to the <u>Audit Committee or independent director members of the Audit Committee.</u></p>	<p>Article 40 (Request or inform board of directors to discontinue its implementation of resolution) (Paragraph 1 omitted)</p> <p>When a Board member discovers that the Company is at risk of sustaining material damages, it shall be handled according to the preceding paragraph, and shall be immediately reported to <u>supervisors.</u></p>	This article was amended in coordination with the Company establishing an Audit Committee.
<p>Article 41 (Directors' liability insurance)</p> <p>The Company <u>shall</u> purchase liability insurance for directors with respect to liabilities resulting from exercising their duties, so as to reduce and spread the risk of material harm to the Company and shareholders arising from wrongdoings or negligence of a director.</p> <p>The Company <u>shall</u> report the insured amount, coverage, premium rate, and other important contents of the liability insurance it has <u>purchased</u> or renewed for directors, at the next</p>	<p>Article 41 (Directors' liability insurance)</p> <p>The Company <u>may</u> purchase liability insurance for directors with respect to liabilities resulting from exercising their duties, so as to reduce and spread the risk of material harm to the Company and shareholders arising from wrongdoings or negligence of a director.</p> <p>The Company <u>should</u> report the insured amount, coverage, premium rate, and other important contents of the liability insurance it has <u>purchased</u> or renewed for directors, at the next board</p>	This article was amended according to Article 39 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

board meeting.	meeting.	
Delete	<u>Chapter 4. Ensure functions of supervisors are fully exercised</u> <u>Section 1 Functions of Supervisors</u> <u>Article 43 (Establish fair, just, open procedures for the election of supervisors)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 44 (Specify the candidate nomination system for the election of supervisors in the Articles of Incorporation)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 45 (At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Section 2 Powers and Obligations of Supervisors</u> <u>Article 46 (Supervisors shall be familiar with the relevant laws and regulations, understand rights, obligations and duties of directors of the Company)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 47 (Supervisors shall monitor the implementation of the Company's operations and the directors' and managerial officers' performance of their duties)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 48 (Supervisors may</u>	Supervisor

	<u>investigate the operational and financial condition of the Company from time to time)</u> (Contents omitted)	positions were removed after the Company established an Audit Committee.
Delete	<u>Article 49 (Establish channels of communication between employees, shareholders, stakeholders, and supervisors)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 50 (Supervisors exercise individual supervisor's powers, respectively)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 51 (Supervisors' liability insurance)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Delete	<u>Article 52 (Supervisors participating in training courses)</u> (Contents omitted)	Supervisor positions were removed after the Company established an Audit Committee.
Chapter <u>4</u> Respecting Stakeholders' Rights	Chapter <u>5</u> Respecting Stakeholders' Rights	Chapter revised.
Article <u>43</u> (Maintaining communication with stakeholders and safeguarding their rights and interests)	Article <u>53</u> (Maintaining communication with stakeholders and safeguarding their rights and interests)	This article was amended according to Article 51,

<p>The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, respect and safeguard their legal rights and interests, and <u>shall</u> set up a stakeholders section on the Company's website.</p> <p>When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.</p>	<p>The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, respect and safeguard their legal rights and interests, and <u>should</u> set up a stakeholders section on the Company's website.</p> <p>When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.</p>	<p>Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article <u>44</u> (Providing sufficient information to corresponding banks and other creditors) (Contents omitted)</p>	<p>Article <u>54</u> (Providing sufficient information to corresponding banks and other creditors) (Contents omitted)</p>	<p>Changed the article number.</p>
<p>Article <u>45</u> (Establishing employee communication channels) (Contents omitted)</p>	<p>Article <u>55</u> (Establishing employee communication channels) (Contents omitted)</p>	<p>Changed the article number.</p>
<p>Article <u>46</u> (Social responsibility of the Company) (Contents omitted)</p>	<p>Article <u>56</u> (Social responsibility of the Company) (Contents omitted)</p>	<p>Changed the article number.</p>
<p>Chapter <u>5</u> Improving Information Transparency</p>	<p>Chapter <u>6</u> Improving Information Transparency</p>	<p>Chapter revised.</p>
<p>Article <u>47</u> (Information disclosure and online reporting system)</p> <p>Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with relevant laws and related TWSE and TPEX rules.</p> <p><u>The Company should announce and report Q1, Q2, and Q3 financial statements, annual</u></p>	<p>Article <u>57</u> (Information disclosure and online reporting system)</p> <p>Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with relevant laws and related TWSE and TPEX rules.</p> <p>The Company shall establish an Internet-based reporting system for public information, appoint</p>	<p>Changed the article number and amended this article according to Article 55 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed</p>

<p><u>financial statements, and monthly operation results before the prescribed time limit.</u></p> <p>The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.</p>	<p>personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.</p>	<p>Companies.</p>
<p>Article <u>48</u> (Appointing a spokesman) (Contents omitted)</p>	<p>Article <u>58</u> (Appointing a spokesman) (Contents omitted)</p>	<p>Changed the article number.</p>
<p>Article <u>49</u> (Establishing a corporate governance website)</p> <p>In order to keep shareholders and stakeholders fully informed, the Company <u>shall</u> utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. The Company should also furnish the financial, corporate governance, and other relevant information in English.</p> <p>(omitted below)</p>	<p>Article <u>59</u> (Establishing a corporate governance website)</p> <p>In order to keep shareholders and stakeholders fully informed, the Company <u>should</u> utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. The Company should also furnish the financial, corporate governance, and other relevant information in English.</p> <p>(omitted below)</p>	<p>This article was amended according to Article 57, Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article <u>50</u> (Method for convening investor conferences) (Contents omitted)</p>	<p>Article <u>60</u> (Method for convening investor conferences) (Contents omitted)</p>	<p>Changed the article number.</p>
<p>Article <u>51</u> (Disclosure of corporate governance information)</p> <p>The Company shall disclose and update from time to time the</p>	<p>Article <u>61</u> (Disclosure of corporate governance information)</p> <p>The Company shall disclose and update from time to time the</p>	<p>This article was amended according to Article 59,</p>

<p>following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE rules:</p> <p>I. Corporate governance framework and rules.</p> <p>II. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy.</p> <p>III. Structure, professionalism and independence of the board of directors.</p> <p>IV. Responsibility of the board of directors and managerial officers.</p> <p>V. Composition, duties, and independence of the <u>Audit Committee</u>.</p> <p>VI. Composition, duties and operation of the remuneration committee and other functional committees.</p> <p><u>VII. Remunerations of directors, president, and vice presidents in the past two years, total amount of remuneration as a percentage of after-tax net profit in the standalone financial statements, and the correlation between the remuneration policy, standards and combination, procedures for determining remuneration, business performance and future risk. Furthermore, the remuneration to individual directors shall be disclosed under special circumstances.</u></p> <p><u>VIII.</u> Continuing education of directors.</p>	<p>following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE rules:</p> <p>I. Corporate governance framework and rules.</p> <p>II. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy.</p> <p>III. Structure, professionalism and independence of the board of directors.</p> <p>IV. Responsibility of the board of directors and managerial officers.</p> <p>V. Composition, duties and independence of <u>supervisors</u>.</p> <p>VI. Composition, duties and operation of the remuneration committee and other functional committees.</p> <p><u>VII.</u> Continuing education of directors <u>and supervisors</u>.</p> <p><u>VIII.</u> The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</p> <p><u>IX.</u> Details of the events subject to information disclosure required by law and regulations.</p> <p><u>X.</u> The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</p> <p><u>XI.</u> Other information regarding corporate governance.</p> <p>The Company is advised,</p>	<p>Paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
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<p><u>IX.</u> The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</p> <p><u>X.</u> Details of the events subject to information disclosure required by law and regulations.</p> <p><u>XI.</u> The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</p> <p><u>XII.</u> Other information regarding corporate governance.</p> <p>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</p>	<p>according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</p>	
<p>Chapter <u>6.</u> Miscellaneous</p>	<p>Chapter <u>7.</u> Miscellaneous</p>	<p>Chapter revised.</p>
<p><u>Article 52 (Monitoring developments in Taiwan and overseas)</u></p> <p><u>The Company shall monitor the development of corporate governance in the Republic of China and in other countries, and review and improve its own corporate governance system accordingly, in order to enhance the performance and benefits of corporate governance.</u></p>		<p>This article was added according to Article 60 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article <u>53</u> (Establishment and amendment procedures)</p> <p>This Code shall take effect</p>	<p>Article <u>62</u> (Establishment and amendment procedures)</p> <p>This Code shall take effect</p>	<p>Changed the article number and deleted the</p>

<p>after being approved by the Board of Directors. The same applies to all subsequent amendments.</p>	<p>after being approved by the Board of Directors, <u>and shall be reported to the shareholders' meeting</u>. The same applies to all subsequent amendments.</p>	<p>requirement to report the Code to the shareholders' meeting because it is not required by law.</p>
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(VIII). Report on amendment to the Company's Ethical Corporate Management Best Practice Principles.

Proposed by the Company's board of directors

See the attachment for the Company's Ethical Corporate Management Best Practice Principles.

Description: Proposal to amend the Company's Ethical Corporate Management Best Practice Principles in accordance with Order Tai-Zheng-Zhi-Li-Zi No. 1080008378 from the Taiwan Stock Exchange, and in coordination with the establishment of an Audit Committee to replace supervisors

Attachment

China Ecotek Corporation

Ethical Corporate Management Best Practice Principles

Comparison of articles before and after amendment

Amended articles	Existing articles	Description
Article 2. When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as the "Substantial Controllers") shall not	Article 2. When engaging in commercial activities, directors, <u>supervisors</u> , managers, employees, and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as the "Substantial Controllers") shall not directly or indirectly	The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed.

Amended articles	Existing articles	Description
<p>directly or indirectly offer, promise to offer, request or accept any improper benefits nor commit unethical acts including breach of ethics, illegal acts or breach of fiduciary duty (hereinafter referred to as the "unethical conduct") for purposes of acquiring or maintaining benefits. (omitted below)</p>	<p>offer, promise to offer, request or accept any improper benefits nor commit unethical acts including breach of ethics, illegal acts or breach of fiduciary duty (hereinafter referred to as the "unethical conduct") for purposes of acquiring or maintaining benefits. (omitted below)</p>	
<p>Article 5 The Company shall establish an integrity-based policy <u>passed by the Board of Directors</u> based on the business philosophy of integrity, transparency, and responsibility, and shall establish good corporate governance and risk management mechanisms to create a business environment for sustainable development.</p>	<p>Article 5 The Companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism to create an operating environment for sustainable development.</p>	<p>This article was amended to require Board approval for the ethical corporate management policy after referencing the example announced by the TWSE on May 23, 2019 for the Ethical Corporate Management Best Practice Principles</p>

Amended articles	Existing articles	Description
		for TWSE/GTSM-Listed Companies.
<p>Article 7</p> <p><u>The Company shall establish mechanisms to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business. The Company shall implement programs to prevent unethical conduct and review the appropriateness and effectiveness of the prevention programs.</u></p> <p>The Company <u>should</u> <u>reference universal standards or guidelines when establishing the prevention programs, which shall at least include preventive measures against the following:</u></p>	<p>Article 7</p> <p>When establishing the prevention programs, the Company shall analyze which business activities within their business scope have a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.</p> <p>The prevention programs adopted by the Company shall at least include preventive measures against the following:</p> <p>I. Offering and accepting bribes.</p> <p>II. Providing illegal political donations.</p> <p>(omitted below)</p>	<p>The wording in Paragraphs 1 and 2 of this article was revised after referencing universal standards or guidelines to help the Company implement ethical corporate management (anti-bribery) mechanisms and create an ethical (anti-bribery) corporate culture.</p>

Amended articles	Existing articles	Description
<p>I. Offering and accepting bribes.</p> <p>II. Providing illegal political donations.</p> <p>(omitted below)</p>		
<p>Article 8</p> <p>The company and the business group shall clearly specify ethical corporate management policies in its rules and external documents, as well as the board of directors and management's commitment to rigorously and thoroughly implement such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p><u>The ethical corporate management policy, commitment, and implementation shall be documented and properly retained.</u></p>	<p>Article 8</p> <p>The company and the business group shall clearly specify ethical corporate management policies in its rules and external documents, as well as the board of directors and management's commitment to rigorously and thoroughly implement such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>Added Paragraph 2.</p> <p>The policies, processes, and implementation status in the example announced by the TWSE on May 23, 2019 for the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, as well as the anti-bribery management mechanism set forth in ISO 37001, all require documentation and</p>

Amended articles	Existing articles	Description
		proper retention of the documents.
<p>Article 10</p> <p>When conducting business, the Company and its directors, managers, employees, mandataries and substantial controllers, may not directly or indirectly offer, promise to offer, request, demand, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants or other stakeholders.</p>	<p>Article 10</p> <p>When conducting business, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and substantial controllers, may not directly or indirectly offer, promise to offer, request, demand, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants or other stakeholders. <u>unless the laws of the territories where the Company operates permit it to do so.</u></p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed. This proviso was deleted in the public version on November 7, 2014.</p>
<p>Article 11</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political</p>	<p>Article 11</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political</p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit</p>

Amended articles	Existing articles	Description
<p>activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and the Company's internal procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>activities, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and the Company's internal procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>Committee to replace supervisor positions, and supervisor positions were thus removed.</p>
<p>Article 12 When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries and substantial controllers shall comply with relevant laws and regulations and internal procedures, and shall not surreptitiously engage in bribery.</p>	<p>Article 12 When making or offering donations and sponsorship, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and substantial controllers shall comply with relevant laws and regulations and internal procedures, and shall not surreptitiously engage in bribery.</p>	<p>Same as above.</p>

Amended articles	Existing articles	Description
<p>Article 13</p> <p>The Companies and its directors, managers, employees, mandataries and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>Article 13</p> <p>The Companies and its directors, <u>supervisors</u>, managers, employees, mandataries and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed.</p>
<p>Article 14</p> <p>The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose or damage</p>	<p>Article 14</p> <p>The Company and the directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers of the Company shall observe applicable laws and regulations, the company's internal procedures and contractual provisions concerning intellectual property. and may not use, disclose,</p>	<p>Same as above.</p>

Amended articles	Existing articles	Description
intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	dispose or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	
Article 15 The Company shall engage in business activities in accordance with the Fair Trade Act and applicable competition laws and regulations.	Article 15 The Company shall engage in business activities in accordance with applicable competition laws and regulations and shall comply with the regulations of the Fair Trade Act and relevant competition laws.	Simplified the wording.
Article 16 In the course of research and development, procurement, manufacture, provision or sale of products and services, the Company and its directors, managers, employees, mandataries and substantial controllers shall observe applicable laws and	Article 16 In the course of research and development, procurement, manufacture, provision or sale of products and services, the Company and its directors, <u>supervisors</u> , managers, employees, mandataries and substantial controllers shall observe	The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions

Amended articles	Existing articles	Description
regulations and international standards to ensure the transparency of information about, and safety of, their products and services.	applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services.	were thus removed.
Article 17 The Company's directors, managers, employees, mandataries and substantial controllers shall exercise the due care of good administrators and urge the company to prevent unethical conduct, review results of preventive measures, and continually make adjustments to ensure thorough implementation of the ethical corporate management policy. (omitted below)	Article 17 The Company's directors, <u>supervisors</u> , managers, employees, mandataries and substantial controllers shall exercise the due care of good administrators and urge the company to prevent unethical conduct, review results of preventive measures, and continually make adjustments to ensure thorough implementation of the ethical corporate management policy. (omitted below)	The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed.
Article 18 The Company and its directors, managers, employees, mandataries and	Article 18 The Company and its directors, <u>supervisors</u> , managers, employees,	The Company's shareholders' meeting on June 23, 2020 adopted the

Amended articles	Existing articles	Description
substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	mandataries and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed.
Article 19 The Company shall establish internal regulations for preventing conflicts of interests (such as the Code of Conduct for Directors and Supervisors, Code of Conduct for Employees, and Code of Ethics for Employees) to identify, monitor and manage risks possibly resulting from unethical conduct, <u>and also provide suitable channels for directors, managers, and other stakeholders in attendance during Board meetings to actively explain any potential conflict of</u>	Article 19 The Company shall establish internal regulations for preventing conflicts of interests (such as the Code of Conduct for Directors and Supervisors, Code of Conduct for Employees, and Code of Ethics for Employees) to identify, monitor and manage risks possibly resulting from unethical conduct. When a proposal at a given board meeting concerns the personal interest of or the interest of the juristic person represented by any of the directors, <u>supervisors,</u>	The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed. The second half of Paragraph 1 was added the same as the public version.

Amended articles	Existing articles	Description
<p><u>interest with the Company.</u></p> <p>When a proposal at a given board meeting concerns the personal interest of or the interest of the juristic person represented by any of the directors, managers and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in the discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as proxy for another director. The directors shall exercise</p>	<p>managers and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in the discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as proxy for another director. The directors shall exercise self-discipline and must not support one another in improper dealings.</p> <p>(omitted below)</p>	

Amended articles	Existing articles	Description
<p>self-discipline and must not support one another in improper dealings. (omitted below)</p>		
<p>Article 20 The Company shall establish effective accounting systems and internal control systems <u>for business activities with relatively high risk of unethical conduct</u>, not have under-the-table accounts or keep secret accounts, and regularly conduct reviews to ensure that the design and enforcement of the systems are effective. <u>The Company's internal audit department shall formulate audit plans based on unethical conduct risk assessment results. Contents of the audit plans shall include the subject, scope, items, and frequency of audits, which will be used to</u></p>	<p>Article 20 The Company shall establish effective accounting systems and internal control systems, not have under-the-table accounts or keep secret accounts, and regularly conduct reviews to ensure that the design and enforcement of the systems are effective. The internal <u>auditors</u> of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports, and submit the same to the board of directors. The internal auditors may engage a certified public accountant to carry out the audit and</p>	<p>Paragraphs 1 and 2 were amended after referencing the example announced by the TWSE on May 23, 2019 for the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies. Added Paragraph 3 to ensure that audit results are reported to personnel in the anti-bribery management system, senior management, and the Board of Directors.</p>

Amended articles	Existing articles	Description
<p><u>inspect the compliance with prevention programs. The internal audit department may engage a certified public accountant to carry out the audit and may engage professionals to assist, if necessary.</u></p> <p><u>Audit results in the preceding paragraph shall be reported to senior management and the dedicated ethical corporate management department, and an audit report shall be prepared for the Board of Directors.</u></p>	<p>may engage professionals to assist, if necessary.</p>	
<p>Article 21</p> <p>The Company shall establish "Procedures for Ethical Corporate Management and Code of Conduct" according to Article 6 to guide directors, managers, employees, and substantial controllers on how to</p>	<p>Article 21</p> <p>The Company shall establish "Procedures for Ethical Corporate Management and Code of Conduct" according to Article 6 to guide directors, <u>supervisors</u>, managers, employees, and substantial controllers on</p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions.</p>

Amended articles	Existing articles	Description
<p>conduct business. The procedures and guidelines should at least contain the following matters: (omitted below)</p>	<p>how to conduct business. The procedures and guidelines should at least contain the following matters: (omitted below)</p>	
<p>Article 22 (Paragraph 1 omitted)</p> <p>The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries and substantial controllers, and invite commercial transaction counterparties, so that they understand the Company's resolve to implement ethical corporate management, related policies, prevention programs, and the consequences of engaging in unethical conduct.</p>	<p>Article 22 (Paragraph 1 omitted)</p> <p>The Company shall periodically organize training and awareness programs for directors, <u>supervisors</u>, managers, employees, mandataries and substantial controllers, and invite commercial transaction counterparties, so that they understand the Company's resolve to implement ethical corporate management, related policies, prevention programs, and the consequences of engaging in unethical conduct.</p>	<p>Same as above.</p>

Amended articles	Existing articles	Description
<p>Article 23</p> <p>The Company shall adopt a whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:</p> <p>I. Establish and announce the internal whistleblowing <u>mailbox, hotline, or the whistleblowing mailbox and hotline provided by an external independent institution</u> for the Company's insiders and outsiders to submit reports.</p> <p>II. Dedicated personnel or unit appointed to handle reports. Any report involving a director or <u>senior manager</u> shall be reported to independent directors. Categories of reported misconduct shall be delineated and standard</p>	<p>Article 23</p> <p>The Company shall adopt a whistleblowing system and scrupulously operate the system. The whistleblowing system shall include at least the following:</p> <p>I. Establish and announce the internal whistleblowing <u>system</u> to allow the Company's insiders and outsiders to submit reports.</p> <p>II. Dedicated personnel or unit appointed to handle reports. Any report involving a director or senior <u>manager</u> shall be reported to independent directors <u>or supervisors</u>. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>III. <u>Documentation of case</u></p>	<p>The Audit</p>

Amended articles	Existing articles	Description
operating procedures for the investigation of each shall be adopted.	acceptance, investigation processes, investigation results and relevant	Committee is formed by independent
<u>III. After investigation of a report is completed, subsequent measures will be taken based on the severity of the situation, and the case may be reported to the competent authority or judiciary for investigation, if necessary.</u>	documents. <u>IV. Confidentiality of the identity of whistleblowers and the content of reported cases.</u> <u>V. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.</u>	directors, and supervisor positions were thus removed.
<u>IV. Documentation of case acceptance, investigation processes, investigation results and relevant documents.</u>		
<u>V. Confidentiality of the identity of whistleblowers and the content of reported cases.</u>	When material misconduct or likelihood of material impairment to the Company comes to their awareness	
<u>VI. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.</u>	upon investigation, the dedicated personnel or unit handling the whistleblowing system shall immediately prepare a report and notify	

Amended articles	Existing articles	Description
<p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistleblowing system shall immediately prepare a report and notify independent directors in written form.</p>	<p>the independent directors <u>or supervisors</u> in written form.</p>	
<p>Article 26 The Company shall monitor the development of local and international regulations concerning ethical corporate management, encourage directors, managers and employees to make suggestions, and review and improve ethical corporate management policies and measures on this basis, in order to achieve better implementation of ethical</p>	<p>Article 26 The Company shall monitor the development of local and international regulations concerning ethical corporate management, encourage directors, <u>supervisors,</u> managers and employees to make suggestions, and review and improve ethical corporate management policies and measures on this basis, in order to achieve better implementation of</p>	<p>Same as above.</p>

Amended articles	Existing articles	Description
corporate management.	ethical corporate management.	
<p>Article 27</p> <p>These Principles shall take effect after being approved by the board of directors, and shall be reported to the shareholders' meeting. The same applies to all subsequent amendments.</p> <p>When the Company submits the Ethical Corporate Management Best Practice Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director is unable to express objections or qualified opinions personally at the board meeting, the opinion</p>	<p>Article 27</p> <p>These Principles shall take effect after being approved by the board of directors, and shall be <u>submitted to supervisors and</u> reported to the shareholders' meeting. The same applies to all subsequent amendments.</p> <p>When the Company submits the Ethical Corporate Management Best Practice Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director is unable to express objections or qualified opinions personally at the</p>	<p>The Audit Committee is formed by independent directors, and supervisor positions were thus removed.</p>

Amended articles	Existing articles	Description
<p>shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes.</p>	<p>board meeting, the opinion shall be raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board meeting minutes.</p>	

(X). Report on amendments to the Procedures for Ethical Management and Guidelines for Conduct.

Proposed by the Company's board of directors

See the attachment for the Company's Procedures for Ethical Corporate Management and Code of Conduct.

Description: Proposal to amend the Company's Procedures for Ethical Corporate Management and Code of Conduct in accordance with Order Tai-Zheng-Zhi-Li-Zi No. 1090002299 from the Taiwan Stock Exchange, and in coordination with the establishment of an Audit Committee to replace supervisors.

Attachment

China Ecotek Corporation

Procedures for Ethical Corporate Management and Code of Conduct

Comparison of articles before and after amendment

Amended articles	Existing articles	Description
Article 2 Employees of the Company described in these Procedures and Code of Conduct shall mean the directors, managers, employees, mandataries and substantial controllers of the Company and affiliated enterprises and organizations.	Article 2 Employees of the Company described in these Procedures and Code of Conduct shall mean the directors, <u>supervisors</u> , managers, employees, mandataries and substantial controllers of the Company and affiliated enterprises and	The Company's shareholders' meeting on June 23, 2020 adopted the resolution to establish an Audit Committee to replace supervisor positions.

Amended articles	Existing articles	Description
(omitted below)	organizations. (omitted below)	
Article 6. When the Company's personnel directly or indirectly offer, accept, promise, or request benefits specified in Article 4, unless any one of the situations in the subparagraphs below apply, it must comply with the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Corporate Management and Code of Conduct," and be handled according to relevant procedures: I. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of	Article 6. When any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, such matter shall be handled according to the "Guidelines for Employees Receiving Treats or Gifts Due to Job Duties."	This article was amended after referencing the public version of the TWSE on February 13, 2020. Furthermore, the Company established the "Guidelines for Employees Receiving Treats or Gifts Due to Job Duties" for Company personnel who directly or indirectly offer, accept, promise or request any benefits as specified in Article 4. Hence, amounts were specified in

Amended articles	Existing articles	Description
<p data-bbox="126 209 449 379"><u>guests, promotion of business, and communication and coordination.</u></p> <p data-bbox="126 400 449 815">II. <u>The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or for the development of relationships.</u></p> <p data-bbox="126 836 449 1342">III. <u>Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</u></p> <p data-bbox="126 1362 449 1437">IV. <u>Attendance at traditional festival events</u></p>		<p data-bbox="781 209 991 475">Subparagraphs 6 and 7 of Paragraph 1 of this article according to Articles 7 and 11 of the Guidelines.</p>

Amended articles	Existing articles	Description
<p>that are open to and welcome the attendance of the general public.</p> <p>V. Rewards, emergency assistance, condolence or consolation payments from the management.</p> <p>VI. Offer or accept cash, goods, or other benefits with a market price of NT\$3,000 or less from persons other than family members or close friends; Or others who provide goods with a market price of NT\$6,000 and under to the majority of Company personnel. However, the total market price of goods provided to or received from the same person in a single year is limited to NT\$12,000.</p> <p>VII. Gifts with a market price of no more than NT\$6,000 due to engagement, marriage,</p>		

Amended articles	Existing articles	Description
<p>childbirth, moving, employment, promotion, retirement, resignation, separation, and illness, injury, or death of the individual, spouse, or immediate family.</p> <p>VIII. Other circumstances that comply with the rules of the Company.</p>		
<p><u>Article 7</u></p> <p>Company personnel who are directly or indirectly offered or promised benefits specified in Article 4 shall handle the situation according to the following procedures, unless any one of the situations in the subparagraphs of the preceding article apply:</p> <p>I. If the person who offered or promised the benefits does not have a conflict of interest with the employee's position, the</p>		<p>New clause.</p> <p>This article was added after referencing the public version of the TWSE on February 13, 2020.</p>

Amended articles	Existing articles	Description
<p>employee shall report it to his/her direct supervisor within three days after accepting the benefits, and must also notify the Company's dedicated unit when necessary.</p> <p>II. If the person who offered or promised the benefits has a conflict of interest with the employee's position, the employee shall return or reject the benefits, report it to his/her direct supervisor, and also notify the Company's dedicated unit. If the benefits cannot be returned, it shall be handled by the Company's dedicated unit within three days after the benefits are accepted.</p> <p>A conflict of interest with the employee's position in the preceding paragraph refers to one of the</p>		

Amended articles	Existing articles	Description
<p><u>following situations:</u></p> <p>I. <u>Has business dealings, instructs or supervises, or provides subsidies (grants).</u></p> <p>II. <u>Is currently seeking, performing, or has established a contract, purchase/sale agreement, or other contractual relationships.</u></p> <p>III. <u>Other persons who will be positively or negatively impacted by the Company's business decision to execute or not.</u></p> <p><u>Depending on the nature and value of the benefits in Paragraph 1, the Company's dedicated unit will recommend that the benefits be returned, paid for, transferred to company property, donated to charity, and other suitable actions, which will be executed after obtaining approval.</u></p>		

Amended articles	Existing articles	Description
<p><u>Article 8</u></p> <p>The Company shall neither provide nor promise any facilitating payment. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall complete the "China Ecotek Corporation Employee Accepting Offer and Lobbying Report Logbook" for report and approval.</p> <p><u>The Auditing Office shall immediately handle the situation after receiving the notification in the preceding paragraph, and shall review the course of events to lower the risk of such incidents from occurring again. The Auditing Office shall immediately notify the judiciary if any violations of the law are found.</u></p>	<p><u>Article 7</u></p> <p>The Company shall neither provide nor promise any facilitating payment. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall complete the "China Ecotek Corporation Employee Accepting Offer and Lobbying Report Logbook" for report and approval.</p>	<p>Adjusted the article number in coordination with the preceding article.</p> <p>Referencing the addition of Paragraph 2 to the public version of the TWSE on February 13, 2020, the Company's dedicated unit is the Auditing Office, which accepts reports.</p>

Amended articles	Existing articles	Description
<u>Article 9</u> The Company shall not make any political donations.	<u>Article 8</u> According to Article 7, Paragraph 1, Subparagraph 2 of the Political Donations Act, the Company shall not provide any political donations.	Adjusted the article number in coordination with the preceding article. The Company is a subsidiary of China Steel and takes contracts for public construction projects of the government. The Company has not made any political donations in the past before, so the article was directly amended to not make any political donations.
<u>Article 10</u> Charitable donations or sponsorships by the Company shall be provided in accordance with the	<u>Article 9</u> Charitable donations or sponsorships by the Company shall be provided in accordance with the	Adjusted the article number in coordination with the preceding article.

Amended articles	Existing articles	Description
<p>following provisions and reported to the supervisor in charge for approval;</p> <p>I. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.</p> <p>II. A written record of the decision-making process shall be kept.</p> <p>III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.</p> <p>IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a</p>	<p>following provisions and reported to the supervisor in charge for approval; for donations to related parties or major donations to non-related parties, it shall be submitted to the board of directors' meeting for discussion or ratification according to Article 7, Paragraph 1, Subparagraph 7 of the Regulations Governing Procedures for Board of Directors Meetings. The Auditing Office shall perform audits on the aforementioned donations and sponsorships and shall also prepare an audit report:</p> <p>I. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the</p>	<p>The Company established "Guidelines for Charity Donations and Sponsorships" for charity donations and sponsorships, and amended the guidelines according to the public version of the TWSE on February 13, 2020.</p>

Amended articles	Existing articles	Description
<p>party with which any personnel of the Company has a relationship of interest.</p> <p>V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.</p> <p>For donations to related parties or major donations to non-related parties, it shall be submitted to the board of directors' meeting for discussion or ratification according to Article 7, Paragraph 1, Subparagraph 7 of the Regulations Governing Procedures for Board of Directors Meetings. The Auditing Office shall perform audits on the aforementioned donations</p>	<p>country where the Company is doing business.</p> <p>II. A written record of the decision-making process shall be kept.</p> <p>III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.</p> <p>IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.</p> <p>V. After a charitable donation or sponsorship has been given, it shall be ascertained that the</p>	

Amended articles	Existing articles	Description
and sponsorships and shall also prepare an audit report.	destination to which the money flows is consistent with the purpose of the contribution.	
Article <u>11</u> When an agenda item at a given Board meeting concerns the personal interest of or the interest of the juristic person represented by any of the directors, managers and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in the discussion of or voting on the proposal	Article 10 The personnel of the Company shall comply with the Code of Conduct for Directors and Supervisors, Code of Conduct for Employees and Code of Ethics for Employees according to their job ranking respectively.	Adjusted the article number in coordination with the preceding article. This article was amended after referencing the public version of the TWSE on February 13, 2020. In coordination with Article 20 of the Company's Regulations Governing Procedures for Board of Directors Meetings and Article 206, Paragraph 3 of the Company Act, an

Amended articles	Existing articles	Description
<p>and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as proxy for another director. The directors shall exercise self-discipline and must not support one another in improper dealings.</p> <p>If the spouse, parents, children, or blood relatives within the third degree of kinship, or companies that have a controlling and subordinate relationship with the director have interests in agenda items in the preceding paragraph, the director shall be deemed to have personal interests in the agenda item.</p> <p>If a Company employee discovers a conflict of interest with themselves or the legal entity they represent when conducting</p>		<p>amendment was made so that if the spouse, parents, children, or blood relatives within the third degree of kinship, or companies that have a controlling and subordinate relationship with the director have interests in agenda items, the director shall be deemed to have personal interests in the agenda item.</p>

Amended articles	Existing articles	Description
<p>the Company's business, or that they may cause themselves, their spouse, parents, children, or others with a relationship of interest to gain improper benefits, the employee shall report the situation to his/her direct supervisor and the Company's dedicated unit, and the direct supervisor shall provide suitable guidance. The Company's personnel may not use its resources for business activities not belonging to the Company, and may not have their work performance affected due to participation in such business activities.</p>		
<p><u>Article 12</u> The Company's Legal Office is responsible for establishing and implementing the</p>	<p><u>Article 11</u> All personnel of the Company shall comply with the Code of Conduct for Directors and Supervisors,</p>	<p>Adjusted the article number in coordination with the preceding article.</p>

Amended articles	Existing articles	Description
<p>Company's trade secret, trademark, patent, and copyright management, and regularly reviews implementation results to ensure the continued effectiveness of operating procedures.</p> <p>Company personnel shall follow related regulations pertaining to the Company's intellectual property in the preceding paragraph, and may not disclose to any other party any trade secrets, trademarks, patents, and copyright of the Company of which they have learned, nor may they inquire about or compile any trade secrets, trademarks, patents, and copyright of the Company unrelated to their individual duties.</p>	<p>Code of Conduct for Employees, and Code of Ethics for Employees according to their job ranking, respectively, and shall not disclose or deliver confidential information of the Company known to others, and shall not seek or collect confidential information of the Company unrelated to one's job duties.</p>	<p>The organization and responsibilities of the confidentiality mechanism was amended after referencing the public version of the TWSE on February 13, 2020.</p> <p>The Company's current situation: The Legal Office is responsible for establishing and implementing intellectual property management plans. However, data related to trade secrets or intellectual property rights is still retained by each department.</p>

Amended articles	Existing articles	Description
		The Legal Office only establishes related systems and promotes concepts.
<p><u>Article 13</u> All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, Code of Conduct for Directors, Code of Conduct for Employees, and Code of Ethics for Employees, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.</p>	<p><u>Article 12</u> All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, Code of Conduct for Directors <u>and Supervisors</u>, Code of Conduct for Employees, and Code of Ethics for Employees, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.</p>	<p>Adjusted the article number in coordination with the preceding article. Deleted supervisors in coordination with the change to the title of the Company's regulation. The original Article 14 was merged with this article and added Paragraph 2 to prohibit insider</p>

Amended articles	Existing articles	Description
<p><u>Any organization or person outside of the Company that is involved in any merger, de-merger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement, in which they undertake not to disclose to any other party any trade secrets or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</u></p>		<p>trading and specify confidentiality agreements after referencing the public version of the TWSE on February 13, 2020.</p>
<p>Deleted</p>	<p><u>Article 13</u> <u>Any organization or person outside of the Company that is involved in any</u></p>	<p>Merged with Paragraph 2 of the preceding article.</p>

Amended articles	Existing articles	Description
	<p>merger, de-merger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement, in which they undertake not to disclose to any other party any trade secrets or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p>	
<p>Article 14 <u>Any organization or person outside of the Company that is involved in any merger, de-merger, acquisition and</u></p>	<p>Article 14 The Company shall disclose its policy of ethical management in its internal rules, annual reports, on</p>	<p>In coordination with Article 8 of the Ethical Corporate Management Best</p>

Amended articles	Existing articles	Description
<p data-bbox="119 204 454 1054"> <u>share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement, in which they undertake not to disclose to any other party any trade secrets or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</u> </p> <p data-bbox="119 1070 454 1441"> The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of </p>	<p data-bbox="454 204 776 911"> the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management. </p>	<p data-bbox="776 204 993 1054"> Practice Principles, directors and senior managers are required to issue a statement of compliance with the ethical corporate management policy, and employees are required to comply with the ethical corporate management policy as part of the terms of employment. </p> <p data-bbox="776 1070 993 1390"> Paragraph 1 of the current article was moved to Paragraph 2 without any change to its contents. </p>

Amended articles	Existing articles	Description
<p>the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>		
<p>Article 15 The Company is required to first evaluate the agent, supplier, customer, or other counterparty's lawfulness, ethical corporate management policy, and whether or not it has any unethical conduct records before establishing business relationships. The purpose is to ensure that the counterparty does business in a fair and transparent way, and does not demand,</p>	<p>Article 15 All personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical corporate management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form</p>	<p>This article was amended after referencing the public version of the TWSE on February 13, 2020.</p>

Amended articles	Existing articles	Description
<p data-bbox="126 209 381 236"><u>offer, or accept bribes.</u></p> <p data-bbox="126 256 454 671"><u>When the Company is conducting the evaluation in the preceding paragraph, it may take appropriate inspection procedures to examine the following matters of counterparties and determine their ethical corporate management:</u></p> <p data-bbox="126 692 454 911"><u>I. The company's country, place of operations, organizational structure, business policy, and place of payment.</u></p> <p data-bbox="126 932 454 1150"><u>II. Whether or not the company has an ethical corporate management policy and its implementation status.</u></p> <p data-bbox="126 1171 454 1342"><u>III. Whether or not the company's place of operations is a country with high risk of corruption.</u></p> <p data-bbox="126 1362 454 1442"><u>IV. Whether or not the company's business in an</u></p>	<p data-bbox="460 209 561 236"><u>or name.</u></p>	

Amended articles	Existing articles	Description
<p>industry with high risk of bribery.</p> <p>V. The company's long-term business situation and reputation.</p> <p>VI. Inquire business partners for the opinion on the company.</p> <p>VII. Whether or not the company has records of unethical conduct, such as being involved in bribery or illegal political donations.</p>		
<p>Article 18</p> <p>When the Company receives a report of unethical or improper conduct, if it is a false or malicious accusation by internal personnel, disciplinary action shall be taken and the individual may be dismissed in the event of a severe violation.</p> <p>The Company has set up and announced an independent whistleblowing mailbox and</p>	<p>Article 18</p> <p>When the Company discovers or receives a report on personnel of the Company being involved in unethical conduct, the Company shall verify relevant facts immediately.</p> <p>If violations of relevant laws or ethical corporation management policies and regulations of the Company are verified to be</p>	<p>Amended the procedures for handling unethical conduct of the Company's employees after referencing the public version of the TWSE on February 13, 2020.</p> <p>However, to prevent groundless</p>

Amended articles	Existing articles	Description
<p>hotline on the company website and internal website for Company's insiders and outsiders to submit reports. The whistleblower shall at least provide the information below:</p> <p>I. The whistleblower's name, ID number, mailing address, telephone number, and e-mail.</p> <p>II. The name or other data that can be used to identify the person being reported.</p> <p>III. Evidence that can be used for investigation.</p> <p>The Company's personnel responsible for handling whistleblower cases must maintain the confidentiality of the whistleblower's identity and contents of the report. The Company is committed to protecting</p>	<p>true, then the perpetrator shall be requested to stop relevant actions and appropriate handling shall be made. In addition, when it is considered necessary, damage indemnification shall be claimed through legal proceedings in order to protect the reputation and interests of the Company.</p> <p>For unethical conduct that has already occurred, the Company shall request the relevant unit to review the relevant internal control system and operating procedures, and shall submit improvement measures in order to prevent identical actions from recurring again.</p> <p>The Auditing Office shall report the unethical conduct, its handling</p>	<p>reports, the provision on anonymous reports in the public version was not added.</p> <p>The Company's Auditing Office currently accepts reports on unethical or improper conduct.</p>

Amended articles	Existing articles	Description
<p>whistleblowers from being mistreated.</p> <p>The Company's dedicated unit shall handle reports according to the following procedures:</p> <p>I. If the report involves a regular employee, it shall be submitted to the department supervisors. If the report involves a director or senior manager, it shall be submitted to an independent director.</p> <p>II. The Company's Auditing Office and supervisor or personnel who receive the report in the preceding subparagraph shall immediately conduct an investigation, and the Legal Office or other related departments may provide assistance if necessary.</p> <p>III. If violations of relevant laws or ethical corporation</p>	<p>method and subsequent review and improvement measures to the board of directors.</p>	

Amended articles	Existing articles	Description
<p>management policies and regulations of the Company are verified to be true, then the perpetrator shall be required to immediately cease relevant actions, and appropriate penalties shall be imposed. If it is deemed necessary, the perpetrator may be reported to the competent authority and investigated by the judiciary, or compensation for damages may be sought through legal proceedings, in order to protect the reputation and interests of the Company.</p> <p>IV. The process of accepting reports, conducting investigation, and investigation results must be documented and retained for five years. The documents may be retained in electronic form. If any</p>		

Amended articles	Existing articles	Description
<p><u>litigation arises with respect to a specific report before expiry, then all relevant data must be retained until the litigation is concluded.</u></p> <p><u>V. If the report is verified to be true, the Company shall require related units to review the internal control system and operating procedures, and propose improvement measures to prevent the same action from occurring again.</u></p> <p><u>VI. The Auditing Office shall report the unethical conduct, its handling method, and subsequent review and improvement measures to the board of directors.</u></p>		
<p>Article 21 These Procedures and Code of Conduct, and any amendments hereto, shall be implemented after being</p>	<p>Article 21 These Procedures and Code of Conduct, and any amendments hereto, shall be implemented after</p>	<p>The Company's shareholders' meeting on June 23, 2020 adopted the resolution to</p>

Amended articles	Existing articles	Description
<p>approved by the board of directors, and shall be reported to the shareholders' meeting. the same applies for any amendments. (omitted below)</p>	<p>being approved by the board of directors, and shall be <u>submitted to supervisors and</u> reported to the shareholders' meeting. the same applies for any amendments. (omitted below)</p>	<p>establish an Audit Committee to replace supervisor positions, and supervisor positions were thus removed.</p>

(IX). Other report matters

1. Report on Company's 2020 China region investment summary

According to the regulations of the competent authority, the upper limit for the Company's investment in China region is NT\$1,776,153 thousand, the investment amount approved by the Investment Commission, MOEA, is NT\$528,771 thousand, and the accumulated actual investment amount in 2020 is NT\$ 192,240 thousand. Relevant information on the invested companies in China in 2020 is summarized as follows:

Unit: In Thousand NTD

Name of Chinese company invested	Main business items	Paid-in capital	Investment method	Ownership of Direct or Indirect Investment (%)	Accumulated investment amount	Profit (loss) recognized for the current year(Note)	Investment carrying value at the end of current year
Wuhan Hua De Environmental Protection Engineering Technology Ltd	Engineering technology and consultation service	113,920	Through investment in an existing company (CDC) in a third region for further investment in the Chinese company	30	12,816	794	72,154
Ningbo Hua Yang Aluminum Technology Ltd.	Aluminum alloy material manufacturing and sales	1,395,520	Through investment in an existing company (USID) in a third region for further investment in the Chinese company	0.61	8,544	(1,265)	3,824
Xiamen Mao Yu Import and Export Trading Ltd	Equipment materials import and export	170,880	Through investment in an existing company (CDC) in a third region for further investment in the Chinese company	100	170,880	3,145	177,314

Note : The amounts were recognized based on the independent auditors' financial statements of China Ecotek Corporation.

2. Report on the endorsement and guarantee status of the Company

Up to the end of December 2020, the balance of endorsement and guarantee provided by the Company to the external is NT\$ 0.

3. Report on status of Company's loaning of funds to others

Up to the end of December 2020, the balance of the Company's loaning of funds to others is NT\$ 0.

II. Ratification Items

Proposal 1: Proposed by the board of directors of the Company

Proposal: 2020 Business Report and Financial Statements of the Company. Please proceed with the ratification.

Explanation: For 2020 Business Report and Financial Statements, please see Attachment 1.

Resolution:

China Ecotek Corporation 2020 Business Report

I. Operational policy

The Company's business strategy places equal emphasis on "engineering," "operation maintenance," and "circular economy" for achieving growth, and has formulated following four action plans:

1. Improve electronic management of engineering projects, strengthen engineering abilities, and lower construction risks.
2. Expand the scope of business by developing circular economy businesses, such as green energy and water treatment.
3. Step up technology R&D, participate in the group's design and integration, and increase the ratio of independent design.
4. Implement talent cultivation, improve management performance, and fulfill corporate social responsibility.

II. Implementation status of operational policy

1. Engineering projects: Electrical and mechanical engineering projects mainly involve the replacement of China Steel's old production equipment with new ones, periodic maintenance, annual maintenance, and major overhaul. Environmental protection projects involve the development of air pollution prevention technologies for desulfurization, denitrification, and dust collection in response to growingly strict air pollution regulations in recent years, and also the development of wastewater treatment works and water treatment plants. The Company also takes on projects for fire-resistant materials of steel mills and factory construction for biotech companies.
2. Operation and maintenance: Includes China Steel's residual materials pretreatment plant, recycling depot, industrial wastewater purification plant, Dragon Steel's central water plant, Chengcing Lake high-end water treatment plant, Kinmen Taihu water treatment plant, and Kaohsiung City Gangshan Qiaotou wastewater treatment plant, providing a steady source of business and profit.
3. Circular economy: The Company engages in strategic cooperation with China Steel Solar Tech Co., Ltd. in the group's solar power plant construction project, and completed 84.78MWp of installed capacity as of the end of 2020. The project was implemented in response to the Energy Bureau's major electricity user clause and helps the group comply with regulations, increasing the installed capacity to lower the cost of green energy. The Company also actively supports the MOEA's

agriculture-solar project, and has utilized its experience and performance in installing solar panels on rooftops within the group to provide turnkey services outside the group.

III. Business Outcome

The Company targets the market of a wide range of engineering fields, including environmental protection projects, electrical and mechanical engineering projects, biotechnology plant construction projects, electrical and mechanical maintenance, recycling depot, and high-end water treatment plant operation. In 2020, main construction projects included the following:

1. Environmental protection projects: Desulfurization of emissions from China Steel's No. 1 sinter plant, major overhaul of the electrostatic precipitator in China Steel's No. 2 sinter plant, construction of new electrostatic precipitator in Dragon Steel's No. 2 sinter plant, electrical and mechanical engineering and pipelining for a new biological filter for China Steel's effluent, Shulin and Xindian incinerator ROT dust collector system EPC project, Vietnam Ha Tinh steel mill sinter plant emission desulfurization and dioxin removal project, and China Steel PV project with a total amount of NT\$1.812 billion, accounting for 20.5% of revenue.
2. Electrical and mechanical engineering projects: Major overhaul of China Steel's No. 2 blast furnace third furnace, equipment replacement in China Steel's No. 1 and No. 2 sinter plant, design services for China Steel's power plant TG9 and TG10 construction project, construction of new cooling tower (CT-6) in China Steel's No. 1 power plant, China Steel's coal and iron ore transportation process improvement project, public facility turnkey project of Sing Da Marine Structure, cell plant construction for Adimmune Corporation, and construction of process R&D laboratory for Virbac Taiwan with a total amount of NT\$4.175 billion, counting for 47.26% of revenue.
3. Operation and electrical/mechanical maintenance and others: Includes electrical/mechanical maintenance projects of CPC and Dragon Steel, as well as the operation of Chengcing Lake and Kinmen Taihu water treatment plants with a total amount of NT\$ 2.849 billion, accounting for 32.24% of overall revenue.

IV. Profit comparison with last year

Unit: In Thousand NTD

Year Business Item	2020	2019	Increase (Decrease) amount	Rate of change (%)
Operating revenue	8,836,360	9,315,910	-479,550	-5.15%
Operating cost	8,318,011	8,784,938	-466,927	-5.32%
Unrealized gain from sale	21,608	20,247	1,361	6.72%
Realized gain from sale	7,223	-	7,223	-
Realized operating margin	503,964	510,725	-6,761	-1.32%
Operating expense	439,240	478,245	-39,005	-8.16%
Net operating income	64,724	32,480	32,244	99.27%
Net operating income (expenditure)	174,736	131,092	43,644	33.29%
Net income before tax	239,460	163,572	75,888	46.39%
Income tax expense	42,025	36,714	5,311	14.47%
Consolidated total net income	197,435	126,858	70,577	55.63%

1. Operating revenue in 2020 decreased by NT\$479,550 thousand compared to 2019, operating costs are recognized proportionally to the percentage of projects that are completed, and efforts to control construction budget and reduce costs resulted in an increase of NT\$32,244 thousand in operating profit compared to 2019.
2. Non-operating income and expenses in 2020 increased by NT\$43,644 thousand compared to 2019, and was mainly due to an increase of NT\$20,523 thousand in net gains from affiliates accounted for using

equity method, as well as an increase of NT\$13,016 thousand in interest income. Furthermore, net losses from foreign exchange decreased NT\$2,563 thousand compared to 2019.

3. In summary, net income before tax in 2020 increased by NT\$75,888 thousand compared to 2019, and annual consolidated net income decreased by NT\$70,577 thousand compared to 2019.

V. Research and Development Status

In 2020, the Company developed water treatment technology based on trends in amendments to environmental protection laws and regulations. With regard to wastewater treatment, we collaborated with the R&D department of China Steel in developing treatment processes for villiaumite discharge control, and have started engineering design. Due to the increasing cost of disposing of sludge from wastewater treatment, we developed sludge drying reduction technology, which provided significant economic benefits. We have applied the technology in plants and are currently conducting a test run. We jointly developed water treatment catalysts with the R&D department of China Steel, and applied it in the calcium fluoride inhibitor used in recirculating water of the continuous casting system with good test results. Besides obtaining a contract from China Steel to supply calcium fluoride inhibitor, Dragon Steel has also begun using the product after testing and verification.

As for air pollution prevention technology, we will continue to improve fixed pollution source SO_x/NO_x emission technology and expand the field of application, extending desulfurization and denitrification technology from sintering to coking. Furthermore, denitrification technology can be developed for application in other reductants. The current denitrification process uses liquid ammonia as a reductant, and we are developing technologies for the use of ammonia water as a reductant.

Chairman : Chung-Te Chen



Managerial Officer : Chih-Feng Lee
President



Accounting Officer : Ya-Min Chuang



Accountants' Audit Report

The Board of Directors and Shareholders China Ecotek Corporation

Audit opinion

Regarding the consolidated balance sheet of China Ecotek Corporation (China Ecotek) and its subsidiaries on December 31, 2020 and 2019, as well as consolidated income statement, consolidated statement of changes in equity, and consolidated cash flow statement, as well as notes to the consolidated financial statements from January 1 to December 31, 2020(including a summary of major accounting policies), these have been audited by the accountant.

According to the opinion of the accountant, the above-mentioned consolidated financial statements are prepared in all material respects in accordance with the issuer 's financial reporting standards, the International Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation Announcements approved and issued by the Financial Supervisory Commission. They are sufficient to express the consolidated financial situation of China Ecotek and its subsidiaries in 2020 and December 31, 2019, and the consolidated financial performance and consolidated cash flow from January 1 to December 31 in 2020 and 2019.

Basis for Opinion

We've performed the audit according to the responsibilities of the auditors under such standards are to be further described in the section of Auditor's Responsibilities for the Audit of the Consolidated Financial Statements. The responsibilities of the

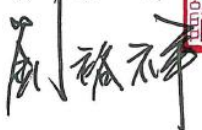
auditors under such standards are to be further described in the section of Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements. The auditors of the firm subject to the independence regulations have maintained independent from China Ecotek Corporation and subsidiaries in accordance with the Code of Ethics and performance other obligations of such Code. We believe to have obtained and sufficient audit evidences in order to be used as the basis for the opinion.

Accountants’ Audit Report

The Board of Directors and Shareholders China Ecotek Corporation

勤業眾信聯合會計師事務所

會計師 劉 裕 祥



劉裕祥



會計師 許 瑞 軒



許瑞軒



Financial Supervisory Commission
Approval Document No.
Jin-Guan-Zheng-Shen-Zi No.
1050024633

Financial Supervisory Commission
Approval Document No.
Jin-Guan-Zheng-Shen-Zi No.
1020025513

February 25, 2021

CHINA ECOTEK CORPORATION
2020Q4 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2020/12/31	2019/12/31	Code	Accounting Title	2020/12/31	2019/12/31
	Assets				Liabilities and equity		
	Current assets				Liabilities		
1100	Cash and cash equivalents	1,600,804	1,136,465		Current liabilities		
1110	Current financial assets at fair value through profit or loss	66,109	0	2100	Current borrowings	0	310,000
1139	Current financial assets for hedging	668,153	445,187	2130	Current contract liabilities	1,654,371	1,065,191
1140	Current contract assets	601,580	864,260	2170	Accounts payable	912,651	701,578
1170	Accounts receivable, net	200,392	358,984	2180	Accounts payable to related parties	5,967	10,740
1180	Accounts receivable due from related parties, net	900,000	1,017,213	2200	Other payables	499,987	435,744
1200	Other receivables	52,724	32,441	2230	Current tax liabilities	15,248	21,539
1220	Current tax assets	2,275	1,233	2250	Current provisions	104,097	110,205
130X	Current inventories	10,558	8,096	2280	Lease liabilities, current	29,157	30,516
1476	Other current financial assets	898,046	602,980	2399	Other current liabilities	73,263	85,511
1479	Other current assets, others	159,478	220,194	21XX	Total current liabilities	3,294,741	2,771,024
11XX	Total current assets	5,160,119	4,687,053				
	Non-current assets				Non-current liabilities		
1510	Non-current financial assets at fair value through profit or loss	23,202	22,424	2550	Non-current provisions	21,649	27,739
1517	Non-current financial assets at fair value through other comprehensive income	157,720	139,272	2570	Deferred tax liabilities	28,794	25,105
1550	Investments accounted for using equity method	1,006,058	954,185	2580	Lease liabilities, non-current	56,946	48,089
1600	Property, plant and equipment	138,084	143,188	2640	Net defined benefit liability, non-current	361,986	330,859
1755	Right-of-use asset	87,906	80,461	25XX	Total non-current liabilities	469,375	431,792
1780	Intangible assets	4,479	6,264		Total liabilities	3,764,116	3,202,816
1840	Deferred tax assets	129,761	127,197		Equity		
1915	Prepayments for business facilities	8,435	0	3110	Ordinary share	1,237,426	1,237,426
1920	Guarantee deposits paid	7,532	7,106	3200	Capital surplus	628,374	628,374
1995	Other non-current assets, others	1,076	845		Retained earnings		
15XX	Total non-current assets	1,564,253	1,480,942	3310	Legal reserve	614,474	600,939
				3320	Special reserve	68,655	36,780
				3350	Unappropriated retained earnings (accumulated deficit)	507,138	530,315
				3300	Total retained earnings	1,190,267	1,168,034
				3400	Total other equity interest	(95,811)	(68,655)
				3XXX	Total equity	2,960,256	2,965,179
1XXX	Total assets	6,724,372	6,167,995	3X2X	Total liabilities and equity	6,724,372	6,167,995

CHINA ECOTEK CORPORATION
2020Q4 Consolidated Financial Report
Unit: NTS thousands EPS Unit: NTS

Statement of Comprehensive Income

Code	Accounting Title	2020/1/1 To 12/31	2019/1/1 To 12/31
	Operating revenue		
4100	Sales revenue	62,654	78,091
4500	Engineering service revenue	8,482,429	8,963,094
4600	Technical service revenue	291,277	274,725
4000	Total operating revenue	8,836,360	9,315,910
	Operating costs		
5110	Cost of sales	44,878	57,994
5500	Cost of engineering sales	8,041,614	8,511,714
5600	Costs to provide technical services	231,519	215,230
5000	Total operating costs	8,318,011	8,784,938
5900	Gross profit (loss) from operations	518,349	530,972
5910	Unrealized profit (loss) from sales	21,608	20,247
5920	Realized profit (loss) on from sales	7,223	0
5950	Gross profit (loss) from operations	503,964	510,725
	Operating expenses		
6100	Selling expenses	49,907	54,744
6200	Administrative expenses	379,302	414,270
6300	Research and development expenses	10,031	9,969
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	0	(738)
6000	Total operating expenses	439,240	478,245
6900	Net operating income (loss)	64,724	32,480
	Non-operating income and expenses		
7100	Interest income	57,352	44,336
7010	Other income	25,909	23,570
7020	Other gains and losses, net	(2,506)	(6,834)
7050	Finance costs, net	(1,787)	(5,225)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	95,768	75,245
7000	Total non-operating income and expenses	174,736	131,092
7900	Profit (loss) from continuing operations before tax	239,460	163,572
7950	Total tax expense (income)	42,025	36,714
8200	Profit (loss)	197,435	126,858
	Other comprehensive income		
8310	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains (losses) on remeasurements of defined benefit plans	(32,903)	12,112
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	19,052	6,765
8320	Share of other comprehensive 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	(18,615)	(5,686)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,892	(3,776)
	Components of other comprehensive income that will not be reclassified to profit or loss	(29,574)	9,415
8360	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	(32,827)	(27,733)
8368	Gains (losses) on hedging instrument	624	(6,583)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,708	(5,907)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6,202	7,429
	Components of other comprehensive income that will be reclassified to profit or loss	(24,293)	(32,794)
8300	Total other comprehensive income	(53,867)	(23,379)
8500	Total comprehensive income	143,568	103,479
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	197,435	126,858
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	143,568	103,479
9750	Basic earnings (loss) per share from continuing operations	1.60	1.03
9850	Diluted earnings (loss) per share from continuing operations	1.59	1.02

CHINA ECOTEK CORPORATION
2020Q4 Consolidated Financial Report

Unit: NTS thousands

Statements of Change in Equity													
		3110	3100	3200	3310	3320	3350	3300	3410	3420	3450	3400	3XXX
Code	Item	Shares (in thousands)	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity interest	Total equity
A1	Equity at beginning of period 2019/1/1	123,743	1,237,426	628,374	591,153	28,187	549,457	1,168,797	(104,626)	78,341	(10,495)	(36,780)	2,997,817
B1	Legal reserve appropriated	0	0	0	9,786	0	(9,786)	0	0	0	0	0	0
B3	Special reserve appropriated	0	0	0	0	8,593	(8,593)	0	0	0	0	0	0
B5	Cash dividends of ordinary share	0	0	0	0	0	(136,117)	(136,117)	0	0	0	0	(136,117)
		0	0	0	9,786	8,593	(154,496)	(136,117)	0	0	0	0	(136,117)
D1	Profit (loss)	0	0	0	0	0	126,858	126,858	0	0	0	0	126,858
D3	Other comprehensive income	0	0	0	0	0	8,599	8,599	(24,908)	816	(7,886)	(31,978)	(23,379)
D5	Total comprehensive income	0	0	0	0	0	135,457	135,457	(24,908)	816	(7,886)	(31,978)	103,479
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	0	0	0	0	0	(103)	(103)	0	103	0	103	0
Z1	Equity at end of period 2019/12/31	123,743	1,237,426	628,374	600,939	36,780	530,315	1,168,034	(129,534)	79,260	(18,381)	(68,655)	2,965,179
B1	Legal reserve appropriated	0	0	0	13,535	0	(13,535)	0	0	0	0	0	0
B3	Special reserve appropriated	0	0	0	0	31,875	(31,875)	0	0	0	0	0	0
B5	Cash dividends of ordinary share	0	0	0	0	0	(148,491)	(148,491)	0	0	0	0	(148,491)
		0	0	0	13,535	31,875	(193,901)	(148,491)	0	0	0	0	(148,491)
D1	Profit (loss)	0	0	0	0	0	197,435	197,435	0	0	0	0	197,435
D3	Other comprehensive income	0	0	0	0	0	(27,494)	(27,494)	(26,815)	(2,080)	2,522	(26,373)	(53,867)
D5	Total comprehensive income	0	0	0	0	0	169,941	169,941	(26,815)	(2,080)	2,522	(26,373)	143,568
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	0	0	0	0	0	783	783	0	(783)	0	(783)	0
Z1	Equity at end of period 2020/12/31	123,743	1,237,426	628,374	614,474	68,655	507,138	1,190,267	(156,349)	76,397	(15,859)	(95,811)	2,960,256

CHINA ECOTEK CORPORATION
2020Q4 Consolidated Financial Report

Unit: NT\$ thousands

Statements of Cash Flows			
Code	Accounting Title	2020/1/1 To12/31	2019/1/1 To12/31
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	239,460	163,572
	Adjustments		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	52,253	47,824
A20200	Amortization expense	4,696	5,470
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	0	(738)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(935)	(1,077)
A20900	Interest expense	1,787	5,225
A21200	Interest income	(57,352)	(44,336)
A21300	Dividend income	(23,360)	(22,694)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(95,768)	(75,245)
A22500	Loss (gain) on disposal of property, plan and equipment	(187)	728
A23000	Loss (gain) on disposal of non-current assets classified as held for sale	0	(569)
A23900	Unrealized profit (loss) from sales	21,608	20,247
A24000	Realized loss (profit) on from sales	(7,223)	0
A29900	Other adjustments to reconcile profit (loss)	74,815	53,980
A30000	Changes in operating assets and liabilities		
A31120	Decrease (increase) in current financial assets for hedging	(222,342)	679,083
A31125	Decrease (increase) in contract assets	262,680	661,764
A31130	Decrease (increase) in notes receivable	0	788
A31150	Decrease (increase) in accounts receivable	158,592	197,071
A31160	Decrease (increase) in accounts receivable due from related parties	117,213	446,492
A31180	Decrease (increase) in other receivable	(288)	182,656
A31200	Decrease (increase) in inventories	(2,462)	(2,889)
A31240	Decrease (increase) in other current assets	57,084	(49,850)
A32125	Increase (decrease) in contract liabilities	589,180	(596,931)
A32150	Increase (decrease) in accounts payable	211,073	(332,875)
A32160	Increase (decrease) in accounts payable to related parties	(4,773)	(5,513)
A32180	Increase (decrease) in other payable	64,477	10,199
A32200	Increase (decrease) in provisions	(87,002)	(185,990)
A32230	Increase (decrease) in other current liabilities	(18,849)	(18,497)
A32240	Increase (decrease) in net defined benefit liability	(1,776)	365
A33000	Cash inflow (outflow) generated from operations	1,332,601	1,138,260
A33500	Income taxes refund (paid)	(39,139)	(153,974)
AAAA	Net cash flows from (used in) operating activities	1,293,462	984,286
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(3,976)	0
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,580	0
B00100	Acquisition of non-current financial assets at fair value through profit or loss	(65,952)	(600)
B01800	Acquisition of investments accounted for using equity method	(50,000)	(108,800)
B02400	Proceeds from capital reduction of investments accounted for using equity method	2,681	705
B02600	Proceeds from non-current assets or disposal groups classified as held for sale, net	0	15,284
B02700	Acquisition of property, plant and equipment	(22,830)	(4,790)
B02800	Proceeds from disposal of property, plant and equipment	192	130
B03800	Decrease in refundable deposits	3,206	24,894
B04500	Acquisition of intangible assets	(2,911)	(4,150)
B04600	Proceeds from disposal of intangible assets	0	1
B06500	Increase in other financial assets	(295,066)	(124,711)
B06700	Increase in other non-current assets	(231)	(19)
B07500	Interest received	37,357	44,933
B07600	Dividends received	83,282	34,609
BBBB	Net cash flows from (used in) investing activities	(309,668)	(122,514)
	Cash flows from (used in) financing activities		
C00200	Decrease in short-term loans	(310,000)	(490,000)
C00600	Decrease in short-term notes and bills payable	0	(250,000)
C03000	Increase in guarantee deposits received	6,601	1,407
C04020	Repayment of lease principal	(32,684)	(28,355)
C04500	Cash dividends paid	(148,491)	(136,117)
C05600	Interest paid	(2,021)	(5,159)
CCCC	Net cash flows from (used in) financing activities	(486,595)	(908,224)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(32,860)	(27,687)
EEEE	Net increase (decrease) in cash and cash equivalents	464,339	(74,139)
E00100	Cash and cash equivalents at beginning of period	1,136,465	1,210,604
E00200	Cash and cash equivalents at end of period	1,600,804	1,136,465

Accountants' Audit Report

The Board of Directors and Shareholders China Ecotek Corporation

Audit opinion

China Ecotek Corporation (China Ecotek) individual balance sheets for 2020 and December 31, 2019, and the individual consolidated income statement, individual statement of changes in equity, and individual cash flow from January 1 to December 31, 2020 and 2019. The statement and notes to individual financial statements (including the summary of major accounting policies) have been audited by the accountant.

In accordance with the opinion of the accountant, the above-mentioned individual financial statements are prepared in accordance with the securities issuer's financial reporting standards in all material aspects, which is sufficient to express China Ecotek's individual financial position in 2020 and December 31, 2019 and individual financial performance and individual cash flow from January 1 to December 31 in 2020 and 2019.

Basis for Opinion

The accountant performs the audit work in accordance with the accountant's rules for auditing financial statements and generally accepted auditing standards. The accountant's responsibilities under these standards will be further explained in the accountability sections of the accountants' audits of individual financial statements. The personnel subject to the independence norms of the firm affiliated with this accountant have maintained detachment and independence from China Ecotek in accordance with accountant professional ethics norms, and have performed other responsibilities of the norms. We believe to have obtained and sufficient audit evidences in order to be used as the basis for the opinion.

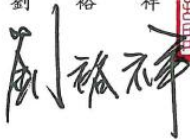
Accountants' Audit Report

The Board of Directors and Shareholders China Ecotek Corporation

Audit opinion

勤業眾信聯合會計師事務所

會計師 劉 裕 祥



會計師 許 瑞 軒



Financial Supervisory Commission

Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.

1050024633

Financial Supervisory Commission

Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.

1020025513

February 25, 2021

CHINA ECOTEK CORPORATION
2020Q4 Standalone Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2020/12/31	2019/12/31	Code	Accounting Title	2020/12/31	2019/12/31
	Assets				Liabilities and equity		
	Current assets				Liabilities		
1100	Cash and cash equivalents	1,448,110	837,546		Current liabilities		
1110	Current financial assets at fair value through profit or loss	66,109	0	2100	Current borrowings	0	310,000
1139	Current financial assets for hedging	668,153	445,187	2130	Current contract liabilities	1,637,156	973,650
1140	Current contract assets	568,469	667,919	2170	Accounts payable	846,360	610,963
1170	Accounts receivable, net	174,025	268,021	2180	Accounts payable to related parties	5,967	29,737
1180	Accounts receivable due from related parties, net	896,635	941,404	2200	Other payables	498,367	433,285
1200	Other receivables	358	2,184	2230	Current tax liabilities	3,202	11,790
1220	Current tax assets	1,436	0	2250	Current provisions	103,728	108,292
130X	Current inventories	5,947	5,912	2280	Lease liabilities, current	27,853	29,042
1476	Other current financial assets	168,854	146,648	2399	Other current liabilities	70,086	82,024
1479	Other current assets, others	73,322	114,855	21XX	Total current liabilities	3,192,719	2,588,783
11XX	Total current assets	4,071,418	3,429,676				
	Non-current assets				Non-current liabilities		
1510	Non-current financial assets at fair value through profit or loss	23,202	22,424	2550	Non-current provisions	21,649	27,739
1517	Non-current financial assets at fair value through other comprehensive income	157,720	139,272	2570	Deferred tax liabilities	28,794	25,105
1550	Investments accounted for using equity method	1,998,844	2,037,157	2580	Lease liabilities, non-current	56,475	47,207
1600	Property, plant and equipment	138,084	142,854	2640	Net defined benefit liability, non-current	361,986	330,859
1755	Right-of-use asset	85,868	77,637	25XX	Total non-current liabilities	468,904	430,910
1780	Intangible assets	4,479	6,264	2XXX	Total liabilities	3,661,623	3,019,693
1840	Deferred tax assets	125,876	123,102		Equity		
1915	Prepayments for business facilities	8,435	0	3110	Ordinary share	1,237,426	1,237,426
1920	Guarantee deposits paid	6,877	5,641	3200	Capital surplus	628,374	628,374
1995	Other non-current assets, others	1,076	845		Retained earnings		
15XX	Total non-current assets	2,550,461	2,555,196	3310	Legal reserve	614,474	600,939
				3320	Special reserve	68,655	36,780
				3350	Unappropriated retained earnings (accumulated deficit)	507,138	530,315
				3300	Total retained earnings	1,190,267	1,168,034
				3400	Total other equity interest	(95,811)	(68,655)
				3XXX	Total equity	2,960,256	2,965,179
1XXX	Total assets	6,621,879	5,984,872	3X2X	Total liabilities and equity	6,621,879	5,984,872

CHINA ECOTEK CORPORATION
2020Q4 Standalone Financial Report
Unit: NT\$ thousands EPS Unit: NT\$

Statement of Comprehensive Income

Code	Accounting Title	2020/1/1 To 12/31	2019/1/1 To 12/31
	Operating revenue		
4100	Sales revenue	62,654	78,091
4500	Engineering service revenue	8,273,401	7,775,181
4600	Technical service revenue	291,277	274,725
4000	Total operating revenue	8,627,332	8,127,997
	Operating costs		
5110	Cost of sales	44,878	56,879
5500	Cost of engineering sales	7,874,810	7,245,334
5600	Costs to provide technical services	231,519	215,230
5000	Total operating costs	8,151,207	7,517,443
5900	Gross profit (loss) from operations	476,125	610,554
5910	Unrealized profit (loss) from sales	21,608	20,247
5920	Realized profit (loss) on from sales	7,223	0
5950	Gross profit (loss) from operations	461,740	590,307
	Operating expenses		
6100	Selling expenses	49,907	54,744
6200	Administrative expenses	357,417	375,941
6300	Research and development expenses	10,031	9,969
6000	Total operating expenses	417,355	440,654
6900	Net operating income (loss)	44,385	149,653
	Non-operating income and expenses		
7100	Interest income	8,685	20,809
7010	Other income	24,151	23,436
7020	Other gains and losses, net	(3,822)	(5,533)
7050	Finance costs, net	(1,766)	(5,187)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	153,599	(35,567)
7000	Total non-operating income and expenses	180,847	(2,042)
7900	Profit (loss) from continuing operations before tax	225,232	147,611
7950	Total tax expense (income)	27,797	20,753
8200	Profit (loss)	197,435	126,858
	Other comprehensive income		
8310	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains (losses) on remeasurements of defined benefit plans	(32,903)	12,112
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	19,052	6,765
8320	Share of other comprehensive 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	(18,615)	(5,686)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,892	(3,776)
	Components of other comprehensive income that will not be reclassified to profit or loss	(29,574)	9,415
8360	Components of other comprehensive income that will be reclassified to profit or loss		
8368	Gains (losses) on hedging instrument	624	(6,583)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(31,119)	(33,640)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6,202	7,429
	Components of other comprehensive income that will be reclassified to profit or loss	(24,293)	(32,794)
8300	Total other comprehensive income	(53,867)	(23,379)
8500	Total comprehensive income	143,568	103,479
9750	Basic earnings (loss) per share from continuing operations	1.60	1.03
9850	Diluted earnings (loss) per share from continuing operations	1.59	1.02

CHINA ECOTEK CORPORATION
2020Q4 Standalong Financial Report

Unit: NTS thousands

Statements of Change in Equity

Code	Item	3110	3100	3200	3310	3320	3350	3300	3410	3420	3450	3400	3XXX
		Shares (in thousands)	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total other equity interest	Total equity
A1	Equity at beginning of period 2019/1/1	123,743	1,237,426	628,374	591,153	28,187	549,457	1,168,797	(104,626)	78,341	(10,495)	(36,780)	2,997,817
B1	Legal reserve appropriated	0	0	0	9,786	0	(9,786)	0	0	0	0	0	0
B3	Special reserve appropriated	0	0	0	0	8,593	(8,593)	0	0	0	0	0	0
B5	Cash dividends of ordinary share	0	0	0	0	0	(136,117)	(136,117)	0	0	0	0	(136,117)
		0	0	0	9,786	8,593	(154,496)	(136,117)	0	0	0	0	(136,117)
D1	Profit (loss)	0	0	0	0	0	126,858	126,858	0	0	0	0	126,858
D3	Other comprehensive income	0	0	0	0	0	8,599	8,599	(24,908)	816	(7,886)	(31,978)	(23,379)
D5	Total comprehensive income	0	0	0	0	0	135,457	135,457	(24,908)	816	(7,886)	(31,978)	103,479
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	0	0	0	0	0	(103)	(103)	0	103	0	103	0
Z1	Equity at end of period 2019/12/31	123,743	1,237,426	628,374	600,939	36,780	530,315	1,168,034	(129,534)	79,260	(18,381)	(68,655)	2,965,179
B1	Legal reserve appropriated	0	0	0	13,535	0	(13,535)	0	0	0	0	0	0
B3	Special reserve appropriated	0	0	0	0	31,875	(31,875)	0	0	0	0	0	0
B5	Cash dividends of ordinary share	0	0	0	0	0	(148,491)	(148,491)	0	0	0	0	(148,491)
		0	0	0	13,535	31,875	(193,901)	(148,491)	0	0	0	0	(148,491)
D1	Profit (loss)	0	0	0	0	0	197,435	197,435	0	0	0	0	197,435
D3	Other comprehensive income	0	0	0	0	0	(27,494)	(27,494)	(26,815)	(2,080)	2,522	(26,373)	(53,867)
D5	Total comprehensive income	0	0	0	0	0	169,941	169,941	(26,815)	(2,080)	2,522	(26,373)	143,568
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	0	0	0	0	0	783	783	0	(783)	0	(783)	0
Z1	Equity at end of period 2020/12/31	123,743	1,237,426	628,374	614,474	68,655	507,138	1,190,267	(156,349)	76,397	(15,859)	(95,811)	2,960,256

CHINA ECOTEK CORPORATION
2020Q4 Standalong Financial Report

Unit: NT\$ thousands

Statements of Cash Flows

Code	Accounting Title	2020/1/1 To12/31	2019/1/1 To12/31
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	225,232	147,611
	Adjustments		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	49,981	44,661
A20200	Amortization expense	4,696	5,469
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(935)	(1,077)
A20900	Interest expense	1,766	5,187
A21200	Interest income	(8,685)	(20,809)
A21300	Dividend income	(23,360)	(22,694)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(153,599)	35,567
A22500	Loss (gain) on disposal of property, plan and equipment	(187)	0
A23000	Loss (gain) on disposal of non-current assets classified as held for sale	0	(569)
A23900	Unrealized profit (loss) from sales	21,608	20,247
A24000	Realized loss (profit) on from sales	(7,223)	0
A29900	Other adjustments to reconcile profit (loss)	74,854	51,996
A30000	Changes in operating assets and liabilities		
A31120	Decrease (increase) in current financial assets for hedging	(222,342)	679,083
A31125	Decrease (increase) in contract assets	99,450	222,199
A31130	Decrease (increase) in notes receivable	0	788
A31150	Decrease (increase) in accounts receivable	93,996	132,326
A31160	Decrease (increase) in accounts receivable due from related parties	44,769	417,132
A31180	Decrease (increase) in other receivable	59	1,768
A31200	Decrease (increase) in inventories	(35)	(705)
A31240	Decrease (increase) in other current assets	38,422	(23,174)
A32125	Increase (decrease) in contract liabilities	663,506	(440,815)
A32150	Increase (decrease) in accounts payable	235,397	(289,968)
A32160	Increase (decrease) in accounts payable to related parties	(23,770)	(12,726)
A32180	Increase (decrease) in other payable	65,316	10,970
A32200	Increase (decrease) in provisions	(85,508)	(185,990)
A32230	Increase (decrease) in other current liabilities	(18,700)	(18,180)
A32240	Increase (decrease) in net defined benefit liability	(1,776)	365
A33000	Cash inflow (outflow) generated from operations	1,072,932	758,662
A33500	Income taxes refund (paid)	(27,812)	(127,200)
AAAA	Net cash flows from (used in) operating activities	1,045,120	631,462
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(3,976)	0
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,580	0
B00100	Acquisition of non-current financial assets at fair value through profit or loss	(65,952)	(600)
B01800	Acquisition of investments accounted for using equity method	(50,000)	(108,800)
B02300	Proceeds from Subsidiary company	23,966	0
B02400	Proceeds from capital reduction of investments accounted for using equity method	2,681	176,266
B02600	Proceeds from non-current assets or disposal groups classified as held for sale, net	0	15,284
B02700	Acquisition of property, plant and equipment	(22,830)	(4,753)
B02800	Proceeds from disposal of property, plant and equipment	192	6
B03800	Decrease in refundable deposits	1,875	25,067
B04500	Acquisition of intangible assets	(2,911)	(4,150)
B06500	Increase in other financial assets	(22,206)	0
B06600	Decrease in other financial assets	0	67,369
B06700	Increase in other non-current assets	(231)	(19)
B07500	Interest received	10,452	21,512
B07600	Dividends received	174,506	34,609
BBBB	Net cash flows from (used in) investing activities	50,146	221,791
	Cash flows from (used in) financing activities		
C00200	Decrease in short-term loans	(310,000)	(490,000)
C00600	Decrease in short-term notes and bills payable	0	(250,000)
C03000	Increase in guarantee deposits received	6,762	1,488
C04020	Repayment of lease principal	(30,973)	(25,387)
C04500	Cash dividends paid	(148,491)	(136,117)
C05600	Interest paid	(2,000)	(5,121)
CCCC	Net cash flows from (used in) financing activities	(484,702)	(905,137)
EEEE	Net increase (decrease) in cash and cash equivalents	610,564	(51,884)
E00100	Cash and cash equivalents at beginning of period	837,546	889,430
E00200	Cash and cash equivalents at end of period	1,448,110	837,546

To facilitate the shareholders' understanding and to download a complete financial report and content thereof

Shareholders are requested to visit the China Ecotek Corporation's website

(website: **<http://www.ecotek.com.tw>**)

and section "Shareholders Service" for inquiries

Proposal 2 Proposed by the board of directors of the Company

Proposal for 2020 Earnings Distribution of the Company. Please proceed with the ratification.

Description:

For the 2020 earnings distribution, the distribution is planned to be handled according to Article 32-1 of the Articles of Incorporation, and shareholders' cash bonus of NT\$ 167,052,445 is to be distributed, and the cash bonus of NT\$ 1.35 per share is to be distributed. Please refer to Attachment 2 for details.

Cash bonus and dividends distribution base date is to be authorized to the Chairman for determination. During the issuance of cash bonus, the distribution ratio is calculated to the integer dollar and the decimal value is truncated and for the total of the odd amount less than one dollar, the decimal numbers are adjusted from large to small and the account number from first to last sequentially until it satisfies the total amount of the cash dividend distribution

Resolution:

China Ecotek Corporation
2020 Expected Earning Distribution Table



NT\$

Summary	Amount
2020 beginning undistributed earnings	\$ 336,413,704
2020 Net income	197,434,638
Investment adjusted retained earnings under equity method	(993,156)
Gain on disposal of financial asset at fair value through other comprehensive income	603,989
Defined benefit plan re-measurement recognized in retained earnings	(26,322,280)
Adjusted undistributed earnings	\$ 507,136,895
Legal reserve	(17,072,319)
Special reserve	(27,156,310)
Earnings available for distribution	\$ 462,908,266
Distribution item:	
Shareholders cash bonus (NT\$ 1.35 per share)	(167,052,445)
Undistributed earnings at end of 2020	\$ 295,855,821

Note: Income tax for the undistributed earnings according to Article 66-9 of the Income Tax Act, the earnings of the most recent year shall be distributed in priority.

Chairman : Chung-Te Chen



Managerial Officer
President : Chih-Feng Lee



Accounting Officer : Ya-Min Chuang



I. Discussion Items

Proposal 1 Proposed by the board of directors of the Company

Cause: Draft amendments to some provisions of the company's " Articles of Incorporation " are prepared; please refer to the referendum.

Description:

I. Articles in the Company's Articles of Incorporation that mention supervisors were either deleted or amended in coordination with the establishment of an Audit Committee to replace supervisors after the election of directors in 2020. Certain articles of the Company's Articles of Incorporation were also amended in coordination with the Company's actual operations.

II. See Attachment 3 for the comparison table of the Articles of Incorporation before and after amendment

Resolution:

Attachment 3

China Ecotek Corporation Comparison Table of the Articles of Incorporation Before and After Amendment

Amended articles	Existing articles	Description
<p>Article 5 Unless otherwise stipulated by the <u>competent authority of securities</u>, the Company's announcements will be made on <u>newspapers, e-newspapers, or websites established or designated by the central competent authority.</u></p>	<p>Article 5 The public announcement method of the Company, unless otherwise specified by the securities <u>management authority</u>, shall be published in <u>a conspicuous place on a daily newspaper circulating in the area wherein the Company is located.</u></p>	<ol style="list-style-type: none"> 1. The term "securities management authority" was revised to "competent authority of securities" in coordination with the term "competent authority" in Article 3 of the Securities and Exchange Act. 2. The article was revised in coordination with Article 28 of the Company Act.
<p>Article 7 Unless the Company does not print physical securities, the printed share certificates shall be numbered and specify matters required by law, affixed with the signature or seal of the <u>director representing the Company</u>, and shall be <u>legally certified by the bank serving as the registrar</u> before issuance.</p> <p>The Company is <u>exempted</u> from printing physical securities, <u>but must register its shares and comply with regulations of Centralized Securities Depository Enterprises.</u></p>	<p>Article 7 Unless the Company does not print physical securities, the printed share certificates shall be numbered and specify matters required by law, affixed with the signature or seal of <u>three or more directors</u>, and shall be <u>legally certified by the competent authority or its designated registrar</u> before issuance.</p> <p>If the Company <u>does not</u> print physical securities, the shares shall be registered with the Centralized Securities Depository Enterprises.</p>	<ol style="list-style-type: none"> 1. Paragraph 1 of this article was revised in coordination with Article 162 of the Company Act. 2. Paragraph 2 of this article was revised in coordination with Article 161-2 of the Company Act.
<p>Article 11 <u>Unless otherwise specified by law or Articles of Incorporation</u>, <u>shareholders' meetings are convened by the board of directors.</u></p> <p>The Company's shareholders' meetings is divided into the following two types:</p> <p>I. The annual general meeting shall be convened by the board of</p>	<p>Article 11 The Company's shareholders' meetings is divided into the following two types:</p> <p>I. The annual general meeting shall be convened by the board of directors according to the law within six months after the end of each fiscal year.</p> <p>II. Extraordinary shareholders' meetings shall be convened</p>	<p>Paragraph 1 of this article was added and the original Paragraph 1 was moved to Paragraph 2 in coordination with Article 171 of the Company Act.</p>

directors according to the law within six months after the end of each fiscal year. II. Extraordinary shareholders' meetings shall be convened whenever necessary according to the law.	whenever necessary according to the law.	
Article 16 Shareholders' meetings that are <u>convened by the Board of Directors</u> shall be chaired by the chairman. In case where the chairman is on leave or cannot exercise his/her power and authority for any reason, the chairman may appoint a director to act as a proxy thereof; where the chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.	Article 16 During the convention of shareholders' meeting, the chairman shall be the chair of the meeting, <u>unless otherwise stipulated in the Company Act</u> . In case where the chairman is on leave or cannot exercise his/her power and authority for any reason, the chairman may appoint a director to act as a proxy thereof; where the chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.	The wording in this article was revised in coordination with Article 11.
Chapter IV Directors, <u>Audit Committee</u> , and Managerial Officers	Chapter IV Directors, <u>Supervisors</u> , and Managerial Officers	Some of the wording was revised because the Company established an Audit Committee in the 10th-term board of directors to replace supervisors.
Article 18 The Company shall appoint nine to fifteen directors, and uses the candidate nomination system to elect directors to three-year terms. The shareholders' meeting may elect individuals with legal capacity as directors to consecutive terms in accordance with the Company Act. (omitted below)	Article 18 The Company shall appoint nine to fifteen directors <u>and three supervisors</u> , and uses the candidate nomination system to elect directors <u>and supervisors</u> to three-year terms. The shareholders' meeting may elect individuals with legal capacity as directors <u>or supervisors</u> to consecutive terms in accordance with the Company Act. (omitted below)	Some of the wording was deleted because the Company established an Audit Committee in the 10th-term board of directors to replace supervisors.
Article 18-1 The Company established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be responsible for performing the duties of supervisors set forth in the Company Act, Securities and Exchange Act, and other laws and	Article 18-1 The Company established an Audit Committee <u>in the 10th-term Board of Directors</u> in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be responsible for performing the duties of supervisors set forth in the Company Act, Securities and	Deleted temporary terms in Paragraphs 1 and 4 of this article and added contents to Paragraph 2 of this article because the Company established an Audit Committee in the 10th-term board of

<p>regulations. The Audit Committee shall be composed of all independent directors. The committee members shall not be fewer than three persons in number, one of the committee members shall be the committee convener, and at least one of the committee members shall have accounting or financial expertise. Resolutions of the Audit Committee meetings shall be adopted with the approval of half or more of all members; <u>the convener of the Audit Committee represents the Audit Committee externally.</u></p> <p>The exercise of authorities, organization charter and other matters requiring compliance of the Audit Committee shall be handled according to the Securities and Exchange Act and other relevant laws or the Company's rules and regulations.</p>	<p>Exchange Act, and other laws and regulations. The Audit Committee shall be composed of all independent directors. The committee members shall not be fewer than three persons in number, one of the committee members shall be the committee convener, and at least one of the committee members shall have accounting or financial expertise. Resolutions of the Audit Committee meetings shall be adopted with the approval of half or more of all members.</p> <p>The exercise of authorities, organization charter and other matters requiring compliance of the Audit Committee shall be handled according to the Securities and Exchange Act and other relevant laws or the Company's rules and regulations.</p> <p><u>Starting from the implementation of this article, the rules for the election of supervisors as described in Paragraph 1 of the preceding article and other rules related to supervisors described in these Articles of Incorporation shall no longer be applicable.</u></p>	<p>directors.</p>
<p>Article 19 The powers of the board of directors are as follows:</p> <p>I. <u>Approval</u> of annual business guidelines and <u>budget</u>.</p> <p>II. <u>Approval of the appointment and dismissal</u> of the president, vice presidents, financial and accounting managers, chief internal auditor, and consultants.</p> <p>III. <u>Approval</u> of annual <u>business reports</u> and financial statements.</p> <p>IV. <u>Approval of</u> pledge, sale/purchase or other disposal methods related to major assets of the Company.</p> <p>V. Approval of investment plans.</p>	<p>Article 19 The powers of the board of directors are as follows:</p> <p>I. <u>Approval</u> of annual business guidelines;</p> <p>II. <u>Appointment and dismissal</u> of the president, vice presidents, financial and accounting managers, chief internal auditor, and consultants.</p> <p>III. Approval of the annual budget and financial <u>statements</u>;</p> <p>IV. <u>Decide on</u> the pledge, sale/purchase or other disposition methods related to major assets of the Company;</p> <p>V. Approval of investment plans;</p>	<p>Wording in this article was revised and Subparagraphs 13 and 14 were added to be thorough in coordination with current practices.</p>

<p>VI. Approval of capital expenditures above NT\$40 million.</p> <p>VII. Approval of specialized technology, purchase or transfer of patent rights, and technical cooperation contracts above NT\$40 million.</p> <p>VIII. Approval of the establishment and dissolution of branch institutions.</p> <p>IX. <u>Formulation</u> of proposals to amend the Articles of Incorporation, change of capital, and Company's dissolution or merger.</p> <p>X. <u>Formulation</u> of proposals for earnings distribution or to offset losses.</p> <p>XI. <u>Approval</u> of the appointment, dismissal, and remuneration of accountants.</p> <p>XII. Approval of the Company's internal organizations and their authority and responsibilities.</p> <p>XIII. <u>Review and approval of the establishment or amendment of procedures, internal control system, and other important regulations for the acquisition or disposal of assets, derivatives trading, lending to others, and providing endorsements or guarantees for others.</u></p> <p>XIV. <u>Approval of the offering, issuance, or private placement of securities with equity characteristics and domestic and overseas corporate bonds.</u></p> <p>XV. <u>Approval</u> of other matters with powers provided by laws and regulations.</p>	<p>VI. Approval of capital expenditures above NT\$40 million;</p> <p>VII. Approval of specialized technology, purchase or transfer of patent rights, and technical cooperation contracts above NT\$40 million;</p> <p>VIII. Approval of the establishment and dissolution of branch institutions;</p> <p>IX. <u>Proposals recommending the amendment of the Articles of Incorporation, change of capital and Company's dissolution or merger to shareholders' meetings;</u></p> <p>X. <u>Proposal recommending earnings distribution or offsetting losses to shareholders' meetings;</u></p> <p>XI. The appointment, dismissal, and remuneration of accounts;</p> <p>XII. Approval of the Company's internal organizations and their authority and responsibilities;</p> <p>XIII. <u>Approval of other matters with powers provided by laws and regulations.</u></p>	
<p>Article 20 <u>Unless otherwise stipulated in the Company Act and other laws and regulations,</u> the resolutions in a Board meeting shall be adopted by a majority vote of the directors present, who represent more than half of the</p>	<p>Article 20 Resolutions of the Board of Directors <u>For the important matters described in the following, a Board meeting with more than two-thirds of directors attending the meeting is required, and shall be approved</u></p>	<p>The article was revised in coordination with Article 206 of the Company Act.</p>

<p>total number of directors.</p>	<p><u>by a majority of attending directors; or a majority of directors shall attend a Board meeting, and shall be approved by more than two-thirds of attending directors for the resolutions of such important matters:</u> <u>I. Proposal recommending earnings distribution or offsetting losses to shareholders' meetings;</u> <u>II. Proposal recommending capital increase or decrease to shareholders' meetings;</u> <u>III. Approval of specialized technology, purchase or transfer of patent rights, and technical cooperation contracts above NT\$40 million;</u> <u>IV. Approval of capital expenditures above NT\$40 million;</u> <u>V. Approval of investment plans.</u> <u>Proposals of important matters shall not be handled as extraordinary motions. Except for the aforementioned resolutions of important matters and other resolutions according to the laws of R.O.C. or relevant laws, other matters shall be resolved by a majority of attending directors of the board of directors and based on the approval of a majority of attending directors.</u></p>	
<p>Article 22 Except for the first board of directors' meeting for each term of newly elected directors, which shall be convened by the director who received the most votes, board meetings shall be convened by the chairman. In addition, meeting notices indicating the meeting date, place, agenda and sufficient meeting information shall be submitted to each director in writing, e-mail or facsimile seven days before the convention of the meeting. However, in case of</p>	<p>Article 22 Except for the first board of directors' meeting for each term of newly elected directors, which shall be convened by the director who received the most votes, board meetings shall be convened by the chairman. In addition, meeting notices indicating the meeting date, place, agenda and sufficient meeting information shall be submitted to each director <u>and supervisor</u> in writing, e-mail or facsimile seven days before the convention of the meeting.</p>	<p>Some of the wording was deleted because the Company established an Audit Committee in the 10th-term board of directors to replace supervisors.</p>

emergencies, meetings may be convened at any time.	However, in case of emergencies, meetings may be convened at any time.	
Article 26 <u>(Deleted)</u>	Article 26 <u>The authorities of supervisors are as follows:</u> (omitted below)	Deleted all contents of this article because the Company established an Audit Committee in the 10th-term board of directors to replace supervisors.
Article 27 <u>(Deleted)</u>	Article 27 <u>Supervisor may attend Board meetings to express their opinions, but shall have no voting rights.</u>	Same as above.
Article 27-1 Transportation expenses of directors, remuneration of independent directors, and salary of the chairman shall be determined by the board of directors according to the relevant standards adopted in the industry and TWSE/TPEX listed companies. In addition, other allowances for the chairman are paid according to regulations for employees' salary and compensation.	Article 27-1 Transportation expenses of directors <u>and supervisors</u> , remuneration of independent directors, and salary of the chairman shall be determined by the board of directors according to the relevant standards adopted in the industry and TWSE/TPEX listed companies. In addition, other allowances for the chairman are paid according to regulations for employees' salary and compensation.	Some of the wording in this article was deleted because the Company established an Audit Committee in the 10th-term board of directors.
Article 27-2 The Company <u>shall purchase liability insurance for directors with respect to liabilities resulting from exercising their duties, so as to reduce and spread the risk of material harm to the Company and shareholders arising from wrongdoings or negligence of a director.</u> <u>The Company shall report the insured amount, coverage, premium rate, and other important contents of the liability insurance it has purchased or renewed for directors, at the next board meeting.</u>	Article 27-2 The Company <u>may purchase liability insurance for directors and supervisors</u> with respect to liabilities resulting from exercising their duties.	1. Some of the wording in Paragraph 1 of this article was revised because the Company established an Audit Committee in the 10th-term board of directors. 2. Paragraph 2 of this article was added in coordination with Article 193-1 of the Company Act.
Article 31 The Company's fiscal year shall be from January 1 to December 31 each year. At the end of each fiscal year, the Board of Directors shall prepare financial	Article 31 The Company's fiscal year shall be from January 1 to December 31 each year. At the end of each fiscal year, the Board of Directors shall prepare financial	Some of the wording was revised because the Company established an Audit Committee in the 10th-term board of

<p>statements in accordance with the Company Act, and submit the financial statements to the <u>Audit Committee</u> for review thirty days before the annual general meeting. The <u>Audit Committee</u> shall prepare an <u>audit</u> report to the annual general meeting for acknowledgment.</p>	<p>statements in accordance with the Company Act, and submit the financial statements to <u>supervisors</u> for review thirty days before the annual general meeting. The <u>supervisors</u> shall prepare a report to the annual general meeting for acknowledgment.</p>	<p>directors to replace supervisors.</p>
<p>Article 32 Where the Company has a profit for a fiscal year, no less than 0.1 percent of such profit shall be appropriated as employee bonuses and no higher than 1% of such profit shall be appropriated as directors' remuneration through resolutions of the board of directors' meeting. The recipients of employee bonuses include employees of affiliates meeting certain criteria. A sum shall be set aside in advance to pay down any outstanding cumulative losses before employee bonuses and directors' remuneration can be allocated according to the above percentage. The distribution of employee bonuses and directors' remunerations shall be submitted to the Board of Directors for resolution and shall be reported to the shareholders' meeting.</p>	<p>Article 32 Where the Company has a profit for a fiscal year, no less than 0.1% of such profit shall be allocated as employee bonuses and no more than 1% may be allocated as directors and <u>supervisors'</u> remuneration. The recipients of employee bonuses include employees of affiliates meeting certain criteria. A sum shall be set aside in advance to pay down any outstanding cumulative losses before employee bonuses and directors and <u>supervisors'</u> remuneration can be allocated according to the above percentage. The distribution of the employee bonuses and directors and <u>supervisors'</u> remuneration shall be submitted to the Board of Directors for resolution and shall be reported to the shareholders' meeting.</p>	<p>Same as above.</p>
<p>Article 36 These Articles of Incorporation were established on March 2, 1993. The first amendment was made according to the resolution of the extraordinary shareholders' meeting on May 25, 1993... (omitted) The 16th amendment was made according to the resolution of the shareholders' meeting on June 25, 2019. <u>The 17th amendment was made according to the resolution of the shareholders' meeting on June XX, 2021.</u></p>	<p>Article 36 These Articles of Incorporation were established on March 2, 1993. The first amendment was made according to the resolution of the extraordinary shareholders' meeting on May 25, 1993... (omitted) The 16th amendment was made according to the resolution of the shareholders' meeting on June 25, 2019.</p>	<p>Added the number and date of the current amendment.</p>

Five. Extraordinary Motions

Six. Regulations and Rules

Regulations and Rules 1

China Ecotek Corporation Rules of Procedures for Shareholders Meetings

Article 1

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

Article 2

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

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) before 30 days before the date of an Annual Meeting of Shareholders or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the Annual Meeting of Shareholders or before 15 days before the date of the special shareholders meeting.

In addition, 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The notice and announcement shall describe the reason of convention. Where the consent of the counterparty of the notice is obtained, an electronic method may be adopted.

Matters to be listed in the convening cause include election or dismissal of directors, changes in the Articles of Association, reduction of capital, application for cessation of public offering, directors' permission to compete for business, conversion of surplus to capital increase, and conversion of public reserve to capital increase, company dissolution, mergers, or segmentation, or matters related to the issuer's handling and collection of securities under Article 185, paragraph 1 of the Company Act, Article 43-6 of the Securities and Exchange Act, and Issues 56-1 and 60-2 of the Issuer's Guidelines for Dealing with and

Offering Securities. There shall be no ad hoc motions. Its main content may be placed on the website designated by the securities authority or company, and its website should be stated in the notice. §

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a Annual Meeting of Shareholders. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any Sub-paragraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

The company shall announce the acceptance of the shareholders proposals, written or electronic acceptance method, acceptance premises and acceptance period before the shareholders 'closing date before the shareholders' general meeting is held. The period of acceptance shall not be less than ten days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The company shall, before the notice date of the shareholders' meeting, notify the proposal shareholders of the processing result, and list the motions stipulated in this article in the meeting notice. For shareholder proposals not included in the proposal, the board of directors shall explain the reasons for the non-listing at the shareholders' meeting.

Article 3

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4

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

Article 5

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

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

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

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

Article 6

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason is unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman in person and attended by a majority of the directors in

person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 7

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

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 8

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the sign-in cards handed in, and if written or electronic method is adopted for the exercise of voting rights, then it shall be counted plus the number of shares whose voting rights are exercised by correspondence or electronically. During the meeting, if the total number of voting rights of shareholders present increases, it should be updated immediately.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. However, for special resolutions specified in the Company Act or other laws or articles of incorporation, such restrictions shall not be applied. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may re-submit the

tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

After the end of a meeting and after the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or at another place.

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

The chairman should be in a position of impartiality and detachment, strictly implement the rules of procedure, and make the meeting proceed smoothly. The shareholders present are obliged to abide by the rules of procedure, speak politely and maintain order in the conference room.

Article 10

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

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

Except with the consent of the chair, a shareholder may not speak more than

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

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

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

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

Article 11

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If exceeded, the voting rights exceeded will not be counted, but it shall still be included in the total number of shares present.

Article 12

Each company's shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article Subparagraph 3 of Article 157 Item 1 and Paragraph 2 of 179 of the Company Act.

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed

to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, the chairman or his designated person shall announce the total number of voting rights to attend shareholders on a case-by-case basis. Shareholders vote on a case-by-case basis, and after the shareholders meeting the day, entry shall be made of the results of shareholders' consent, opposition and abstaining into the Market Observation Post System.

When there are amendments or alternatives to the same motion, the chairman and the original motion determine the order of voting; If one of the motion has been passed, other motions are regarded as vetoes and shall not be voted on again.

Before voting, a number of examiners and counting staff shall be appointed by the chairman to perform various related duties. The examiner shall have shareholder status.

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

Article 13

When the shareholders have elected directors, they should be handled in accordance with the company's director election method and announce the election results on the spot. It should include the list of elected directors and their number of votes.

Votes for the election matters in the preceding paragraph shall be sealed and signed by the examiners, stored properly and kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation..

Article 14

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

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

Proceedings shall be recorded according to year, month, day, venue, name of the chairman, resolution method, method of proceeding and results of the meeting. During the existence of the company, it should be kept permanently and fully disclosed on the company's website.

Article 15

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 16

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

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

At the place of a shareholders' meeting, if a shareholder attempts to speak

through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17

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

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Regulations and Rules 2

China Ecotek Corporation Articles of Incorporation (Before Amendment)

Chapter 1 General Rules

Article 1 The Company shall be incorporated under the Company Act and its English name shall be “China Ecotek Corporation”.

Article 2 The scope of business of the Company is as follows:

1. C802120 Industrial Catalyst Manufacturing
2. C901060 Refractory Materials Manufacturing
3. CA01020 Iron and Steel Rolls over Extends and Crowding
4. CA01030 Iron and Steel Casting
5. CA01050 Iron and Steel Rolling, Drawing, and Extruding
6. CA01120 Copper Casting
7. CA01990 Other Non-ferrous Metal Basic Industries
8. CA02010 Metal Architectural Components Manufacturing
9. CA02050 Metal Valves Manufacturing
10. CA02060 Metal Containers Manufacturing
11. CA02090 Metal line Products Manufacturing
12. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
13. CA03010 Metal Heat Treating
14. CA04010 Metal Surface Treating
15. CB01010 Machinery and Equipment Manufacturing
16. CB01030 Pollution Controlling Equipment Manufacturing
17. CC01040 Lighting Facilities Manufacturing
18. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
19. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
20. CC01990 Electrical Machinery, Supplies Manufacturing
21. CD01010 Ship and Parts Manufacturing
22. CD01020 Tramway Cars Manufacturing
23. CD01030 Automobiles and Parts Manufacturing
24. CE01010 Precision Instruments Manufacturing

25. D101050 Steam and Electricity Paragenesis
26. D101060 Self-usage power generation equipment utilizing renewable energy industry
27. D301010 Water Supply
28. D601011 Reclaimed Water Operators
29. E101011 Synthesis Construction
30. E102011 Civil Engineering Construction
31. E103011 Steel Construction
32. E103021 Keeps off the Earth Strut & Earth Work Construction
33. E103031 Foundation Engineering Construction
34. E103041 Construction tower hoisting & Pattern Plate Project Construction
35. E103051 Mixes the Concrete Project in Advance Construction
36. E103061 Builds the Drilling Project Construction
37. E103071 Underground Utilities Project Construction
38. E103081 Valance curtain wall project Construction
39. E103091 Garden, Landscape Project Construction
40. E103101 Environmental Protection Construction
41. E103111 Waterproof Project Construction
42. E401010 Dredge Engineering
43. E402010 Ballast and Mud Construction on Sea
44. E501011 Water Pipe Construction
45. E502010 Fuel Pipe Construction
46. E503011 User's Drainage Facility Installation Contractor of Sewer System
47. E599010 Pipe Lines Construction
48. E601010 Electric Appliance Construction
49. E601020 Electric Appliance Installation
50. E602011 Frozen and Air-conditioning Engineering
51. E603010 Cables Construction
52. E603020 Elevator Construction
53. E603040 Fire Fighting Equipments Construction
54. E603050 Cybernation Equipments Construction

55. E603080 Traffic Signals Construction
56. E603090 Illumination Equipments Construction
57. E603100 Electric Welding Construction
58. E603110 Quench Construction
59. E603120 Sand Spurting Construction
60. E603130 Gas Water Heater Installation
61. E604010 Machinery Installation Construction
62. E605010 Computing Equipments Installation Construction
63. E606010 Electricity Equipments Checking and Maintenance
64. E607010 Solar Heat Energy Equipments Installation Construction
65. E701020 Channel KU and C of Satellite TV Equipments and Materials Construction
66. E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
67. E701040 Basic Telecommunications Equipment Construction
68. E801010 Building Maintenance and Upholstery
69. E801020 Doors and Windows Construction
70. E801030 Interior Light Rigid Frame Construction
71. E801040 Glass Construction
72. E801060 Interior Decoration Construction and Repairing
73. E801070 Kitchen and Bath Facilities Construction
74. E901010 Painting Construction
75. E903010 Eroding and Rusting Construction
76. EZ02010 Derrick Construction
77. EZ03010 Furnace Installation Construction
78. EZ05010 Apparatus Installation Construction
79. EZ06010 Traffic Labels Construction
80. EZ07010 Drilling Construction
81. EZ09010 Static Electricity Protecting and Clearing Construction
82. EZ14010 Sports Ground Equipments Construction
83. EZ15010 Warming and Cooling Maintenance Construction
84. EZ99990 Other Construction
85. F106010 Wholesale of Ironware

86. F106040 Wholesale of Water Containers
87. F107010 Wholesale of Paints, Varnishes and Lacquers
88. F107050 Wholesale of Manure
89. F107080 Wholesale of Environmental Medicines
90. F107090 Wholesale of Industrial Explosives
91. F107170 Wholesale of Industrial Catalyst
92. F107200 Wholesale of Chemistry Raw Materials
93. F107990 Wholesale of Other Chemical Products
94. F113010 Wholesale of Machinery
95. F113020 Wholesale of Household Appliances
96. F113030 Wholesale of Precision Instruments
97. F113050 Wholesale of Computing and Business Machinery
Equipment
98. F113060 Wholesale of Metrological Instruments
99. F113070 Wholesale of Telecom Instruments
100. F113090 Wholesale of Traffic Signal Equipments and
Materials
101. F113100 Wholesale of Pollution Controlling Equipments
102. F113110 Wholesale of Batteries
103. F113990 Wholesale of Other Machinery and Equipment
104. F118010 Wholesale of Computer Software
105. F120010 Wholesale of Refractory Materials
106. F207010 Retail Sale of Paints, Varnishes and Lacquers
107. F207020 Retail Sale of Dyeing Mills and Dyestuff
108. F207080 Retail Sale of Environmental Medicine
109. F207170 Retail Sale of Industrial Catalyst
110. F207200 Retail sale of Chemistry Raw Material
111. F207990 Retail Sale of Other Chemical Products
112. F213010 Retail Sale of Household Appliance
113. F213040 Retail Sale of Precision Instruments
114. F213050 Retail Sale of Metrological Instruments
115. F213060 Retail Sale of Telecom Instruments
116. F213080 Retail Sale of Machinery and Equipment
117. F213090 Retail Sale of Traffic Signal Equipments and
Materials

- 118. F213100 Retail Sale of Pollution Controlling Equipments
- 119. F213990 Retail Sale of Other Machinery and Equipment
- 120. F214080 Retail Sale of Tramway Cars and Parts
- 112. F217010 Retail Sale of Fire Fighting Equipments
- 122. F218010 Retail Sale of Computer Software
- 123. F219010 Retail Sale of Electronic Materials
- 124. F220010 Retail Sale of Refractory Materials
- 125. F299990 Retail Sale of Other Retail Trade Not Elsewhere
Classified
- 126. F399040 Retail Business Without Shop
- 127. F401010 International Trade
- 128. H201010 Investment
- 129. H701050 Public Works Construction and Investment
- 130. I101061 Engineering Consultancy
- 131. I101070 Agriculture, Forestry, Fishing and Animal
Husbandry Consultancy
- 132. I101090 Food Consultancy
- 133. I101110 Textile Industry Consultancy
- 134. I102010 Investment Consultancy
- 135. I103060 Management Consulting Services
- 136. I199990 Other Consultancy
- 137. I301010 Software Design Services
- 138. I301020 Data Processing Services
- 139. I301030 Digital Information Supply Services
- 140. I501010 Product Designing
- 141. I503010 Landscape and Interior Designing
- 142. I599990 Other Designing
- 143. IF04010 Harmless Checking Services
- 144. IG01010 Biotechnology Services
- 145. IG02010 Research Development Service
- 146. IG03010 Energy Technical Services
- 147. IZ99990 Other Industry and Commerce Services Not
Elsewhere Classified
- 148. J101030 Waste Clearing
- 149. J101040 Waste Disposing

150. J101050 Sanitary and Pollution Controlling Services
151. J101060 Wastewater (Sewage) Treatment
152. J101070 Radwaste Disposing Service
153. J101080 Waste Recycling
154. J101090 Waste Collecting and Disposing
155. J101990 Other Environmental Protection Construction
156. JB01010 Exhibition Services
157. JE01010 Rental and Leasing Business
158. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 In the event of business needs, the Company may proceed with endorsement and guarantee matters according to the Regulations for Making Endorsements and Guarantees to the External of the Company.

Article 3 To achieve the objective of business diversification, the Company may re-invest in other companies, and the total investment amount of re-investment made is not limited to t40 percent of the paid-in share capital of the Company described in the Company Act.

Article 4 The Company shall have its head office in Kaohsiung City, R.O.C., and when it is determined to be necessary, branch offices may be established domestically or overseas.

Article 5 The public announcement method of the Company, unless otherwise specified by competent authority of securities management, shall be published in a conspicuous place on a daily newspaper circulating in the area wherein the Company is located.

Chapter 2 Shares

Article 6 The total capital of the Company shall be in the amount of NT\$ 2,200,000,000, divided into 220,000,000 shares, at NTD 10 per share, which may be issued at discrete times.

Article 7 The shares of the Company are exempted from printing of share certificates, and shall be numbered as well as indicated with statutory matters. The shares shall be signed or sealed by at least three Directors. In addition, the shares shall also be certified by the

registration institution approved by the competent authority for issuance thereof.

Article 9 Where the printing of share certificates is exempted, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 8 The printing of the share certificates of the Company is exempted and all of the shares shall be registered shares. The shares shall be indicated with the name of each shareholder. For a government or corporate shareholder, the government or corporate shareholder and the name of its representative as well as the address thereof shall be recorded clearly in the shareholders' roster.

Article 9 The stock affairs of the Company shall be handled according to the Company Act and regulations of the competent authority.

Article 10 Any transfer registration of shares shall be prohibited within 60 days prior to an Annual Meeting of Shareholders, 30 days prior to an extraAnnual Meeting of Shareholders, or 5 days prior to the target date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholders' Meeting

Article 11 The Company's shareholders' meeting shall be of two types as follows:

- I. Annual Meeting of Shareholders shall be convened by the board of directors according to the laws within six months after the end of each fiscal year.
- II. The extraordinary shareholders' meeting shall be convened whenever necessary according to the laws.

Article 12 The convention procedures for Annual Meeting of Shareholders shall be handled according to the regulations of the Company Act, Securities and Exchange Act and relevant laws.

Article 13 Any resolution at a shareholders' meeting, unless otherwise specified in the Company Act, shall be adopted by a majority of the shareholders presented, who represent more than half of the total number of the company's outstanding shares and shall be executed based on the majority of the voting rights of the

attending shareholders.

Article 14 A shareholder shall be entitled to one vote for each share held, except where the voting rights are restricted or shareholders are deemed to have no voting rights under Paragraph 2 of Article 179 of the Company Act.

Article 15 Where a shareholder for any reasons cannot attend the shareholders' meeting in person, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company, stamped with a seal of the Company preserved on record, stating therein the scope of power authorized to the proxy. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares, and the part of the voting rights exceeding such percentage shall not be counted.

Article 16 During the convention of shareholders' meeting, the Chairman shall be the chair of the meeting. In case where the Chairman is on leave or cannot exercise his power and authority for any cause, the Chairman may appoint a director to act as a proxy thereof; where the Chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.

Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting. The meeting minutes along with the attendance list bearing the signatures of the attending shareholders and the powers of attorney of the proxies for attending the meeting shall be archived by the board of directors for preservation at the Company. In addition, the meeting minutes shall be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the meeting minutes may be effected by means of electronic transmission.

Chapter 4 Director, Supervisor and Managerial Personnel

Article 18 The Company has nine to fifteen directors and three supervisors, and adopts the candidate nomination system with the term of office of three years. Supervisors with capability shall be elected by the shareholders' meeting according to the regulations of the Company Act, and re-election shall be applicable.

In the roster of directors described in the preceding paragraph, the number of independent directors among the number of directors of each term shall not be less than three and shall not be less than one fifth of the total number of directors.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements shall comply with relevant regulations of the Securities and Exchange Act, Elections for independent directors and non-independent directors shall be held concurrently, and the lists of successful candidates shall be calculated separately.

Article 18.1 The Company shall establish the audit committee starting from the tenth term of board of directors according to Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall be responsible for executing the authorities of supervisors according to the Company Act, Securities and Exchange Act and other laws. This Audit Committee shall be composed of the entire number of independent directors. The committee members shall not be fewer than three persons in number, one of the committee members shall be the committee convener, and at least one of the committee members shall have accounting or financial expertise.

Resolutions of the Audit Committee meetings shall be adopted with the consent of one-half or more of all members of the Audit Committee.

The exercise of authorities, organization charter and other matters requiring compliance of the Audit Committee shall be handled according to the Securities and Exchange Act and other relevant laws or the rules and regulations of the Company.

Starting from the implementation of this article, the rules for the

election of supervisors as described in Paragraph 1 of the preceding article and other rules related to supervisors described in these Articles of Incorporation shall be ceased to be applicable.

Article 19 The authorities of the board of directors are as follows:

- I. Approval of annual business directives;
- II. Appointment or discharge of President, Vice President, financial and accounting managers, internal audit managers and consultants;;
- III. Approval of annual budget plan and financial statements
- IV. Determine the pledge, sale/purchase or other disposition methods related to major assets of the Company;
- V. Approval of investment plans;
- VI. Approval of capital expense above NT\$ 40 million;
- VII. Approval of exclusive technology, purchase or transfer of patent rights and technology collaboration contracts at an amount above NT\$ 40 million;
- VIII. Approval of establishment and dissolution of branch institutions;
- IX. Proposals for recommending the amendment of the Articles of Incorporation, change of capital and Company's dissolution or merger to shareholders' meetings;
- X. Proposal for recommending distribution of profit or covering losses to shareholders' meetings;
- XI. The appointment, discharge, or compensation of an attesting Certified Public Accountant;
- XII. Approval of internal organizations and authorities of the Company;
- XIII. Approval of other matters with authorities under laws and regulations.

Article 20 Resolution of Board of Directors

For the important matters described in the following, a board of directors' meeting with more than two-thirds of directors attending the meeting is required, and shall be approved by a majority of attending directors; or a majority of directors shall attend a board of directors' meeting, and shall be approved by more than two-thirds

of attending directors for the resolutions of such important matters:

- I. Proposal for recommending distribution of profit or covering losses to shareholders' meetings;
- II. Proposal for recommending capital increase or decrease to shareholders' meetings;
- III. Approval of exclusive technology, purchase or transfer of patent rights and technology collaboration contracts at an amount above NT\$ 40 million;
- IV. Approval of capital expense above NT\$ 40 million;
- V. Approval of investment plans.

Proposals of important matters shall not be handled as extraordinary motions. Except for the aforementioned resolutions of important matters and other resolutions according to the laws of R.O.C. or relevant laws, other matters shall be resolved by a majority of attending directors of the board of directors and based on the approval of a majority of attending directors.

Article 21 Board of directors' meeting shall be attended by more than two third of the directors along with the consents of the majority of the attending directors in order to elect a Chairman among the directors. The Chairman shall represent the Company externally, and shall internally act as the chair of the shareholders meetings and board of directors meetings. In case where the Chairman is on leave or cannot exercise his power and authority for any cause, the Chairman may appoint a director to act as a proxy thereof; where the Chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.

Article 22 Except where the first board of directors' meeting for each term of newly elected directors, such first board of directors' meeting shall be convened by the director with the votes representing the greatest voting rights, the rest of board of directors' meetings shall be convened by the Chairman. In addition, meeting notices indicating the meeting date, place, agenda and sufficient meeting information shall be submitted to each director and supervisor in writing, E-mail or facsimile seven days before the convention of the meeting. However, in case of emergencies,

meetings may be convened at any time.

Article 23 The board of directors' meetings of the Company shall be convened once every three months and may be convened at any time whenever necessary. Unless otherwise specified in the Company Act, a Board of Directors' meeting shall be convened by the Chairman.

Article 24 In case where a director cannot attend a board of directors' meeting due to reasons, he or she may issue a power of attorney indicating the scope of authority for the reasons of such convention of board of directors' meeting in order to appoint another director to act as a proxy for attending the meeting on his or her behalf, provided that the proxy shall only accept the appointment of one director only.

Directors with residences outside the jurisdiction of R.O.C. may issue a power of attorney to another shareholder with residence in the jurisdiction of R.OC. to act as a proxy thereof in order to attend a board of directors' meeting on his or her behalf according to the Company Act.

During the convention of a board of directors' meeting, if it is held with the video conference method, directors attending the meeting through the video conference shall be deemed to have attended the meeting in person.

Article 25 The board of directors' executive duties shall comply with the laws, Articles of Incorporation and resolutions of the shareholders' meetings in order to exercise its authorities and duties.

Article 26 The authorities of the supervisors are as following:

- I. Supervise the execution of business operations of the Company.
- II. Investigate the operational and financial status of the Company.
- III. Examine the accounting books and documents.
- IV. Other authorities empowered under the laws.

Article 27 The supervisor may attend the board of directors' meetings to express their opinions, but shall have no voting rights.

Article 27-1 The remunerations of directors and supervisors, the compensation for the independent directors and the salary of the Chairman shall be determined by the board of directors according to the relevant standards adopted in the industry and TWSE/TPEx listed companies. In addition, other allowances for the Chairman are paid according to the relevant regulations for employees' salary and compensation.

Article 27-2 The Company may purchase liability insurances for directors and supervisors during the term of office of the directors and supervisors for the indemnification liabilities required to be borne within their scope of duty performance according to the laws.

Article 28 The Company has one President as the managerial officer and the appointment, discharge and remuneration thereof shall be handled according to Article 29 of the Company Act.

Article 29 The managerial officers of the Company shall handle business operations of the Company according to the resolutions of the board of directors' meetings.

Article 30 The internal organization of the Company and its authorities shall be handled according to the resolutions of the board of directors' meetings.

Chapter 5 Accounting

Article 31 The accounting fiscal year of the Company shall start from January 1, to December 31 of each year. At the end of each fiscal year, an annual settlement shall be performed. The board of directors shall prepare all the necessary statements and reports according to the Company Act for submission to the supervisor for examination thirty days before the ordinarily shareholder's meeting.

In addition, the supervisor shall issue a report to the Annual Meeting of Shareholders in order to request for the approval thereof.

Article 32 Where the Company has a profit for a fiscal year, no less than 0.1 percent of such profit shall be appropriated as the employees' remuneration and no higher than 1% of such profit shall be appropriated as the remuneration of directors through resolutions of the board of directors' meeting. The recipients entitled to the issuance of the employees' remuneration include

employees of affiliates satisfying certain criteria. provided that where there is an accumulated loss, the Company shall reserve amount to compensate such loss first, followed by setting aside for the employee remuneration and the Director and Supervisor remuneration according to the aforementioned ratio.

The distribution of the employees' remuneration and the remunerations of directors and supervisors shall be submitted to the board of directors' meeting for resolution and shall be reported to the shareholders' meeting,

Article 32-1 Where the Company has earnings after the settlement of each year, the distribution of earnings shall be made in accordance with the following sequence:

- (I) Compensate losses of previous years;
- (II) Appropriate 10 percent as the legal reserve, until the aggregate amount has reached the total capital of the Company;
- (III) Set aside or reverse a special reserve depending upon the operating needs of the Company and regulatory requirements;
- (IV) Where there are still distributable earnings, the board of directors shall then submit an earnings distribution proposal to the shareholders' meeting for resolution on the distribution thereof.

The Company is in a high-tech engineering market with stable growth and also develops diverse strategies at the same time. The Company also expands the business operating foundation in the development of investment plans, including environmental protection and energy etc. During the establishment of the proposal for distribution of earnings by the board of directors, it is necessary to consider the stability of dividends. Except when there is need for capital, the earnings distributed each year shall account for more than 50 percent of the distributable earnings, and where the shareholders' cash bonus shall not be less than 10 percent of the shareholders' bonus.

Article 33 The distribution of the shareholders' dividends shall be

limited to the shareholders recorded on the shareholders' list on the dividend distribution target date.

Chapter 6 Supplementary Provisions

Article 34 The organizational charters and operational rules of the Company shall be further established by the board of directors.

Article 35 For any matters not specified in these Articles of Incorporation, such matters shall be handled according to the regulations of the Company Act.

Article 36 These Articles of Incorporation were established on March 2, 1993. First amendment was made according to the resolution of the extraordinary shareholders' meeting on May 25, 1993. Second amendment was made according to the resolution of the extraordinary shareholders' meeting on November 22, 1993. Third amendment was made according to the resolution of the extraordinary shareholders' meeting on September 22, 1994. Fourth amendment was made according to the resolution of the Annual Meeting of Shareholders on June 11, 1996. Fifth amendment was made according to the resolution of the Annual Meeting of Shareholders on June 25, 1997. Sixth amendment was made according to the resolution of the shareholders' meeting on June 29, 1998. Seventh amendment was made according to the resolution of the shareholders' meeting on June 9, 2000. Eighth amendment was made according to the resolution of the shareholders' meeting on June 8, 2001. Ninth amendment was made according to the resolution of the shareholders' meeting on June 11, 2002. Tenth amendment was made according to the resolution of the shareholders' meeting on June 28, 2005. Eleventh amendment was made according to the resolution of the shareholders' meeting on June 25, 2008. Twelfth amendment was made according to the resolution of the shareholders' meeting on June 28, 2012. Thirteenth amendment was made according to the resolution of the shareholders' meeting on June 25, 2015. Fourteenth amendment was made according to the resolution of the shareholders' meeting on June 22, 2016. Fifteenth amendment was made according to the resolution of the shareholders' meeting on

June 22, 2018. Sixteenth amendment was made according to the resolution of the shareholders' meeting on June 25, 2019.

Detail of Directors of the Company

(Up to the book closure of Annual Meeting of Shareholders of this year:
April 24, 2021)

Unit: Shares %

Job Title	Name		Shareholder Account No.	Shareholding (Ordinary shares)	Holding percentage (%)
Chairman	Chung-Te Chen	China Steel Corporation	1	55,393,138	44.76%
Director	Chao-Tung Wong				
Director	Shyi-Chin Wang				
Director	Chih-Feng Lee				
Director	Jung-Fa Li				
Director	Ming-Hsiang Lin	Hua Eng Wire and Cable Co., Ltd.	4	11,843,730	9.57%
Director	Yu-Lun Kuo	Great Grandeur Steel Corporation	19071	3,918,000	3.17%
Director	Tsan-Jen Chen	CHF Steel Co., Ltd.	11	3,610,475	2.92%
Independent Director	Chia-Jung Chen			0	0
Independent Director	Po-Han Wang			0	0
Independent Director	Tai-Guang Peng			0	0
Number of shares held by all directors				74,765,343	60.42%
Minimum number of shares required to be held by all directors				10,000,000	

Note 1: The Company has issued 123,742,552 shares of ordinary shares
