

Stock Code:1535



China Ecotek Corporation

2022 Annual General Meeting

Meeting Handbook

June 23, 2022 (Thursday) 9:00AM

Kaohsiung Business Convention Center ,

(Physical Shareholders Meeting)

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

Table of Contents

	Page No.
One. Meeting Procedures.....	2
Two. Meeting Agenda	3
I. Report Items	4
II. Proposals for Ratification	10
III. Proposals for Discussion.....	41
VI. Extraordinary Motions.....	62
Three. Rules and Regulations	63
I. Rules Governing Procedures for Shareholders’ Meeting....	63
II. Articles of Incorporation.....	72
Four. List of Shareholding by Current Directors.....	84

China Ecotek Corporation
2022 Annual General Meeting
Meeting Procedures

I. Announce Meeting

II. Chairman Remarks

III. Report Items

IV. Proposals for Ratification

V. Proposals for Discussion

VI. Extraordinary Motions

VII. Adjournment

2022 Annual General Meeting

Meeting Agenda

I.Time: June 23, 2022 (Thursday) 9:00AM

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

III. Shareholders meeting will be held by physical shareholder meeting.

IV.Attendance: Shareholders and proxies authorized by shareholders

V.Chairman: Chairman of the Company

VI. Chairman Remarks

VII. Report Items

- (I) Report on the Operations of 2021.
- (II) Report on Audit Committee's Review Report of 2021.
- (III) Report on compensation for employees and remuneration for directors of 2021.
- (IV) Report on amendments to the Regulations Governing Procedure for Board of Directors Meetings.
- (V) Report on other matters.

VIII. Proposals for Ratification:

Proposal 1: Adoption of the 2021 Business Report and Financial Statements.

Proposal 2: Adoption of the Proposal for Distribution of 2021 profits.

IX. Proposals for Discussion:

Proposal 1: Discussion on amendments to the Articles of Incorporation.

Proposal 2: Discussion on amendments to the Procedures for Acquisition or Disposal of Assets.

Proposal 3: Discussion on amendments to the Regulation of Shareholders Meeting.

Proposal 4: Discussion on amendments to the Rules of Election for Director..

X. Extraordinary Motions

XI. Adjournment

I. Report Items

(I). Report on the Operations of 2021. (Please refer to Page 9~37 in this handbook)

(II). Report on Audit Committee's Review Report of 2021
(Please refer to Page 5 in this handbook)

(III). Report on compensation for employees and remuneration for directors of 2021.

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. 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 in accordance with the ratio prescribed in previous paragraph.”
2. The Company’s 2021 income before tax without deducting remuneration distribution to employees and directors was NT\$490,040,742. Appropriated employees’ remuneration for 4.1149% equivalent to an amount of NT\$20,164,669 and remunerations of directors for 0.8230% equivalent to an amount of NT\$ 4,032,934. All were distributed in cash.

China Ecotek Corporation
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 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:

2022 Annual General Shareholders' Meeting

China Ecotek Corporation

Convener of the Audit Committee: Po-Han Wang

February 23, 2022

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

Proposed by the Board of Directors

Please 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 Meeting in accordance with the revision of the Company's organizational regulations.

Attachment

China Ecotek Corporation

Comparison Table for Amendments to the Regulations Governing Procedures for Board of Directors Meeting

Revised clauses	Clauses in force	Explanation
<p>Article 9 When the board of directors is held, the management department shall prepare relevant materials for the directors attending the meeting to check at any time. (I)Managers above the <u>assistant vice president</u> and the audit director shall attend the meeting as non-voting delegates, report the company's important financial business, internal audit business and other important matters, and answer the directors' questions, so as to help the directors understand the current situation of the company and make appropriate resolutions. (Below omitted)</p>	<p>Article 9 When the board of directors is held, the management department shall prepare relevant materials for the directors attending the meeting to check at any time. (I)Managers above the <u>assistant deputy general manager</u> and the audit director shall attend the meeting as non-voting delegates, report the company's important financial business, internal audit business and other important matters, and answer the directors' questions, so as to help the directors understand the current situation of the company and make appropriate resolutions. (Below omitted)</p>	<p>Amendments are made in accordance with the revision of the Company's organizational regulations.</p>
<p>Article 12 If attendance of a director in person is not possible, they may appoint another director to attend as their proxy. A proxy under previous paragraph may accept a proxy from one person only. A director appointing another director to attend a board meeting in his or</p>	<p>Article 12 If attendance of a director in person is not possible, they may appoint another director to attend as their proxy. A proxy under previous paragraph may accept a proxy from one person only. A director appointing another director to attend a board meeting in his or</p>	<p>Amendments are made in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies</p>

her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting. Attendance via tele- or video-conference is deemed as attendance in person.	her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting. Attendance via tele- or video-conference is deemed as attendance in person, but you should fax the sign-in card to sign in on your behalf.	
--	--	--

(IX). Report on other matters

1. Company's 2021 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\$1,937,981 thousand, the investment amount approved by the Investment Commission, MOEA, is NT\$339,128 thousand, and the accumulated actual investment amount in 2021 is NT\$ 186,840 thousand. Relevant information on the invested companies in China in 2021 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	110,720	Through investment in an existing company (CDC) in a third region for further investment in the Chinese company	-	12,456	4,811	-
Ningbo Hua Yang Aluminum Technology Ltd.	Aluminum alloy material manufacturing and sales	1,356,320	Through investment in an existing company (USID) in a third region for further investment in the Chinese company	0.61	8,304	(607)	3,188
Xiamen Mao Yu Import and Export Trading Ltd	Equipment materials import and export	166,080	Through investment in an existing company (CDC) in a third region for further investment in the Chinese company	100	166,080	2,813	178,791

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 2021, 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 2021, the balance of the Company's loaning of funds to others is NT\$ 0.

II. Ratification Items

Proposal 1: Adoption of the 2021 Business Report and Financial Statements.

Proposed by the board of directors of the Company

Explanatory Note: Please refer to Attachment 1 for the 2021 Business Report and financial statements for the year ended December 31st,2021.

Resolution:

China Ecotek Corporation 2021 Business Report

I. Operational policy

The development strategies of "Engineering," "Operation and Maintenance," and "Circular Economy":

1. Engineering: Deeply cultivate the Group's business, expand the existing business and operating scope to increase revenue, and promote the E-based management platform to reduce construction risks, strengthen project management and refine core technologies to increase profit margins.
2. Operation and Maintenance: From within the group to outside the group, promote the business model of the integration of mechanical and electrical maintenance engineering and refractory materials to increase revenue and profits.
3. Circular Economy: Strive for green energy and environmental protection projects inside and outside the group, combine the research and development technology inside and outside the group, and improve the air and sewage technology to enhance the company's competitiveness.

II. Implementation status of operational policy

1. Project Engineering: Mechanical and electrical engineering mainly focuses on the renewal and overhaul of various production equipment in the China Steel Group. Environmental protection projects benefit from the government's stricter environmental protection regulations and active promotion of sustainable development goals. Major customers have increased capital investment in the renewal of production equipment and the construction of environmental protection equipment. In addition to the contracted projects, the company continues to develop waste (sewage) water treatment projects, water purification plants and other engineering needs; in addition, there are still steel plant refractory materials and biotechnology construction projects.
2. Operation and Maintenance: Includes China Steel's solid mixed materials pre-treatment plant, resource recovery plant, industrial wastewater purification plant, Dragon Steel's central water plant, Cheng Ching Lake advanced water treatment plant, Kinmen Taihu Advance water treatment plant, Taipei Sanying wastewater treatment and Kaohsiung Qiaotou wastewater treatment plant; it constitutes a stable business and source of profits.
3. Circular Economy: This encompasses strategic cooperation with CSC Solar Corporation to develop the Group's solar photovoltaic construction project. Assist China Steel Group to comply with the provisions of the Energy Bureau for large electricity users to reduce the cost of green electricity, and continue to practice ESG work to improve the overall synergy and corporate image of the group. In the future, it can be extended to turnkey projects outside the group based on the actual performance of solar photovoltaic installations within the group and the experience in planning the terms of large power users.

III. Business Outcome

The company's target market is positioned in diversified engineering fields such as environmental protection engineering, electromechanical engineering, biotechnology plant construction engineering, electromechanical maintenance and resource recovery plants, and advanced water purification plant agency operation. The main construction projects in 2021 are as follows:

1. Environmental protection engineering: CSC #1SP FGD EPC Project, CSC Additional Biological Filter for Effluent Water, CSC Additional COD Removal Tank for Coke Plant, CSC CO-sucking Device for Converter & Blast Furnace Fume Preparation Work EPC, DSC #1SP EP Equipment Project, ShuLin Refuse Incineration Plant, ROT Project EP System EPC, Caotun Water Purification Plant Construction, China Steel Group PV System Construction Project and so on. Calculated at NT\$1.433 billion, this accounted for 16.89% of overall revenue.
2. Mechanical and electrical engineering: CSC New Ph. 1&2 COP Revamping Project Stage 1 work, CSC Revamp Project of No. 1&2 Sinter Furnace Equipment, CSC Retrofit Project of Conveying Coal/Iron Ore, CSC New-built Coal Mine Closed-type Building, Ph1-Conveyor Project, CSC Ph. 1&2 CDQ Coke Discharge Project, DSC Retrofit Project of Material Yard Conveyor, SinDa Marine Structure Co. Utility Facility Renovation Project, EirGenix Co. Zhubei Manufacturing Plant and so on are calculated

at NT\$4.224 billion, accounting for 49.78% of overall revenue.

- Agency operations, mechanical and electrical maintenance, and others: Engineering projects including mechanical and electrical maintenance works for CSC and DSC as well as Chengcing Lake, operation of Jinmen Taihu water treatment plant, New Taipei City San-ying Water Resource Recycling Center O&M, Kaohsiung City, Kangshan Qiaotou Sewage Treatment Plant O&M and so on, calculated at NT\$2.828 billion and accounting for 33.33% of overall revenue.

IV. Profit comparison with last year

Unit: In Thousand NTD

Year Business Item	2021	2020	Increase (Decrease) amount	Rate of change (%)
Operating revenues	8,484,613	8,836,360	-351,747	-3.98%
Operating costs	7,764,125	8,318,011	-553,886	-6.66%
Unrealized gain from sale	23,804	21,608	2,196	10.16%
Realized gain from sale	10,277	7,223	3,054	42.28%
Realized operating margin	706,961	503,964	202,997	40.28%
Operating expense	464,655	439,240	25,415	5.79%
Net operating income	242,305	64,724	177,581	274.37%
Net operating income (expenditure)	240,534	174,736	65,798	37.66%
Net income before tax	482,839	239,460	243,379	101.64%
Income tax expense	78,959	42,025	36,934	87.89%
Consolidated total net income	403,880	197,435	206,445	104.56%

- Operating revenues in 2021 decreased by NT\$351,747 thousand compared to 2020, 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\$177,581 thousand in operating profit compared to 2020.
- Non-operating income and expenses in 2021 increased by NT\$65,798 thousand compared to 2020, and was mainly due to an increase of NT\$49,167 thousand in net gains from affiliates accounted for using equity method, as well as an increase of NT\$16,299 thousand due to Interest in financial assets and liabilities at fair value through profit or loss.
- In summary, net income before tax in 2021 increased by NT\$243,379 thousand compared to 2020, and annual consolidated net income increased by NT\$206,445 thousand compared to 2020.

V. Research and Development Status

In 2021, CEC developed water treatment technology based on trends in amendments to environmental protection laws and regulations. With regard to wastewater treatment, we collaborated with the Technology division of CSC in developing treatment processes for villiumite discharge control, and have started

factory construction. The factory is expected to begin operations at the end of 2022. Furthermore, the cost of disposal of sludge from sewage and wastewater treatment is gradually rising, and the development of sludge drying and reduction technology will effectively reduce the cost of outsourcing sludge disposal. We have already applied the technology in a factory and begun operations. We collaborated with the Technology division of CSC in developing a biological agent for coke wastewater biological treatment systems, and the addition of the biological agent can maintain the stability of biological treatment system, mitigating the issue of reduced treatment effectiveness due to water quality changes. The effects were clear in tests performed by DSC, and we will further develop biological agent preservation technology to meet temporary demand in the future.

Carbon reduction is unavoidable with the growingly clear evidence of global warming. The Company is working together with the Technology division of CSC and Industrial Technology Research Institute in planning and developing various carbon reduction technologies. The first project captures carbon monoxide originally released into the atmosphere and converts it into raw materials for chemical engineering. Construction of the trial production line has begun, taking the first step in the development of carbon reduction technology. Furthermore, carbon dioxide captured from emissions is purified with the goal of reaching 99% and above purity, so that it can be sold as a raw material for industrial use. The trial production line is currently being planned.

As for air pollution prevention technology, in response to the revision to Kaohsiung City's electricity facility air pollution emission standards, CEC developed technology for SO_x emissions from fixed pollution sources from high efficiency to low concentration emissions, so that the Group's power plants will be able to comply with the growingly strict standards in laws and regulations. Technologies for NO_x emissions from fixed pollution sources will be developed from sinter plants/power plants to coke oven plants. Furthermore, our fixed pollution source dust emission technology combines dust collector design ability with catalyst filtration bag for application in an industrial waste incinerator.

Independent Auditors' Report

The Board of Directors and Shareholders

China Ecotek Corporation

Opinion

We have audited the accompanying consolidated financial statements of China Ecotek Corporation (The “Company”) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Assessment of the estimated total project cost

The Company and its subsidiaries have signed many construction contracts, and recognized construction revenues according to the percentage completion method during the contract period. If a construction contract is expected to result in a loss, the total loss resulting from the contract must be immediately recognized. Construction progress is calculated based on the actual construction costs incurred under each contract as a percentage of the estimated total construction cost of the project. The estimated total project cost involves a major accounting

estimate, and affects the recognition of construction progress and revenues. Hence, the assessment of estimated total project cost is listed as a key audit matter. For relevant accounting policies, major accounting estimates, and explanations of determination, please refer to the Consolidated Financial Statements Note 4 and Note 5.

Main audit procedures used to assess the estimated total project cost is as follows:

1. Understand control procedures for the assessment of the estimated total project cost, and conduct sampling inspections of the consistency between preparation process and internal controls.
2. Conduct a sampling inspection of documentation related to the assessment of the estimated total project cost for new projects and additions/reductions in the current year.
3. Conduct a sampling inspection to see if there are any major abnormalities between the actual total cost of projects concluded this year and their estimated total project cost, in order to verify the reasonableness of estimated total project cost. Conduct a sampling inspection of abnormal changes in estimated total cost, in order to determine the reasonableness of calculating the percentage of construction progress based on the estimated total project cost before the balance sheet date.

Other Matter

We have also audited the standalone financial statements of the Company as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance, including the audit committee or supervisors, are responsible for overseeing the Company and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yu-Hsiang Liu and Chao-Chun Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2022

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

China Ecotek Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: Thousand NTD

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6, and 14)	\$ 770,216	11	\$ 1,600,804	24
1110	Current financial assets at fair value through profit or loss (Notes 4 and 7)	218,977	3	66,109	1
1139	Hedging financial assets - current (Notes 4 and 12)	748,517	11	668,153	10
1140	Current contract assets (Notes 4, 23, and 29)	619,768	9	601,580	9
1170	Accounts receivable (Notes 4 and 9)	105,809	2	200,392	3
1180	Accounts receivable – related parties (Notes 4, 9, and 29)	693,339	10	900,000	14
1200	Other receivables (Note 9)	30,996	-	52,724	1
1220	Current income tax assets (Note 25)	9,275	-	2,275	-
130X	Inventories (Notes 4 and 10)	11,582	-	10,558	-
1476	Other financial assets – current (Notes 12 and 30)	1,305,931	19	898,046	13
1479	Other current assets (Note 13)	234,467	4	159,478	2
11XX	Total current assets	4,748,877	69	5,160,119	77
	Non-current assets				
1510	Noncurrent financial assets at fair value through profit or loss (Notes 4 and 7)	70,880	1	23,202	1
1517	Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	132,068	2	157,720	2
1550	Investments recognized under the equity method (Notes 4 and 11)	1,061,187	16	1,006,058	15
1600	Property, plant and equipment (Notes 4 and 15)	636,124	9	138,084	2
1755	Right-of-use assets (Notes 4 and 16)	104,932	2	87,906	1
1780	Intangible assets (Note 4)	3,956	-	4,479	-
1840	Deferred income tax assets (Note 25)	94,530	1	129,761	2
1915	Advance payments for equipment	-	-	8,435	-
1920	Guarantee deposits paid	6,730	-	7,532	-
1980	Other financial assets – noncurrent (Note 12)	3,710	-	-	-
1995	Other non-current assets	47	-	1,076	-
15XX	Total non-current assets	2,114,164	31	1,564,253	23
1XXX	Total assets	\$ 6,863,041	100	\$ 6,724,372	100
	Liabilities and equity interests				
	Current liabilities				
2130	Current contract liabilities (Notes 4, 23, and 29)	\$ 1,734,637	25	\$ 1,654,371	25
2170	Accounts payable (Note 17)	745,077	11	912,651	14
2180	Accounts payable - related parties (Notes 17 and 29)	7,052	-	5,967	-
2200	Other payables (Notes 14 and 18)	531,665	8	499,987	7
2230	Current income tax liabilities (Note 25)	15,915	-	15,248	-
2250	Liability provision – current (Notes 4, 14, and 19)	53,531	1	104,097	2
2280	Current lease liabilities (Notes 4, 16, and 29)	36,931	1	29,157	-
2399	Other current liabilities (Note 18)	96,649	1	73,263	1
21XX	Total current liabilities	3,221,457	47	3,294,741	49
	Non-current liabilities				
2550	Liability provision – noncurrent (Notes 4, 14, and 19)	23,746	-	21,649	-
2570	Deferred income tax liabilities (Note 25)	57,674	1	28,794	1
2580	Non-current lease liabilities (Notes 4, 16, and 29)	66,533	1	56,946	1
2640	Net defined benefit liability (Notes 4 and 20)	263,663	4	361,986	5
25XX	Total non-current liabilities	411,616	6	469,375	7
2XXX	Total liabilities	3,633,073	53	3,764,116	56

	Equity attributable to owners of the Company (Note 22)				
3110	Capital – common stock	<u>1,237,426</u>	<u>18</u>	<u>1,237,426</u>	<u>18</u>
3200	Capital surplus	<u>628,374</u>	<u>9</u>	<u>628,374</u>	<u>9</u>
	Retained earnings				
3310	Legal reserve	631,546	9	614,474	9
3320	Special reserve	95,811	2	68,655	1
3350	Undistributed earnings	693,450	10	507,138	8
3300	Total retained earnings	<u>1,420,807</u>	<u>21</u>	<u>1,190,267</u>	<u>18</u>
3400	Other equity	<u>(56,639)</u>	<u>(1)</u>	<u>(95,811)</u>	<u>(1)</u>
3XXX	Total equity	<u>3,229,968</u>	<u>47</u>	<u>2,960,256</u>	<u>44</u>
	Total liabilities and equity interests	\$ <u>6,863,041</u>	<u>100</u>	\$ <u>6,724,372</u>	<u>100</u>

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

Chairman: Chung-Te Chen

Managerial Officer: Chih-Feng Lee

Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD, EPS in NTD

Code	2021		2020	
	Amount	%	Amount	%
	Operating revenue (Notes 4, 14, 23, and 29)			
4100	\$ 84,797	1	\$ 62,654	1
4500	8,105,978	96	8,482,429	96
4600	293,838	3	291,277	3
4000	<u>8,484,613</u>	<u>100</u>	<u>8,836,360</u>	<u>100</u>
	Operating costs (Notes 10, 14, 24, and 29)			
5110	59,953	1	44,878	-
5500	7,456,390	88	8,041,614	91
5600	247,782	3	231,519	3
5000	<u>7,764,125</u>	<u>92</u>	<u>8,318,011</u>	<u>94</u>
5900	720,488	8	518,349	6
5910	23,804	-	21,608	-
5920	10,277	-	7,223	-
5950	<u>706,961</u>	<u>8</u>	<u>503,964</u>	<u>6</u>
	Operating expenses (Note 24)			
6100	56,160	1	49,907	1
6200	391,616	4	379,302	4
6300	16,880	-	10,031	-
6000	<u>464,656</u>	<u>5</u>	<u>439,240</u>	<u>5</u>
6900	<u>242,305</u>	<u>3</u>	<u>64,724</u>	<u>1</u>
	Non-operating income and expenses (Notes 11, 24, and 29)			
7100	49,252	1	57,352	1
7010	28,989	-	25,909	-
7020	18,886	-	(2,506)	-
7050	(1,528)	-	(1,787)	-
7060	144,935	2	95,768	1
7000	<u>240,534</u>	<u>3</u>	<u>174,736</u>	<u>2</u>
7900	482,839	6	239,460	3
7950	78,959	1	42,025	1
8200	<u>403,880</u>	<u>5</u>	<u>197,435</u>	<u>2</u>
	Other comprehensive income (Notes 20, 22, and 25)			
8310	Items not reclassified as income			
8311	(13,396)	-	(32,903)	-
8316	(25,652)	-	19,052	-
8320	29,398	-	(18,615)	-
8349	7,810	-	2,892	-

Code		2021		2020	
		Amount	%	Amount	%
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	65,826	-	(32,827)	-
8368	Profit/loss from hedging instruments	(17,363)	-	624	-
8370	Share of other comprehensive income of affiliated enterprise accounted for under the equity method	(4,045)	-	1,708	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(9,693)	-	6,202	-
8300	Other comprehensive income in the current year	<u>32,885</u>	-	<u>(53,867)</u>	-
8500	Total comprehensive income in the current year	\$ <u>436,765</u>	<u>5</u>	\$ <u>143,568</u>	<u>2</u>
8610	Net profit attributable to owners of the Company	\$ <u>403,880</u>		\$ <u>197,435</u>	
8710	Total comprehensive income (loss) attributable to owners of the Company	\$ <u>436,765</u>		\$ <u>143,568</u>	
	Earnings per share (Note 26)				
9750	Basic	\$	3.26	\$	1.60
9850	Diluted		3.25		1.59

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

Code		Equity attributable to owners of the Company											
		Capital – common stock			Retained earnings				Other equity interests				Total equity
		Shares (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Profit/loss from hedging instruments	Total	
A1	Balance as at January 1, 2020	123,743	\$ 1,237,426	\$ 628,374	\$ 600,939	\$ 36,780	\$ 530,315	\$ 1,168,034	\$ (129,534)	\$ 79,260	\$ (18,381)	\$ (68,655)	
	Appropriation and distribution of 2019 earnings (Note 22)												
B1	Legal reserve	-	-	-	13,535	-	(13,535)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	31,875	(31,875)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(148,491)	(148,491)	-	-	-	-	(148,491)
		-	-	-	13,535	31,875	(193,901)	(148,491)	-	-	-	-	(148,491)
D1	Net profit - 2020	-	-	-	-	-	197,435	197,435	-	-	-	-	197,435
D3	Other comprehensive income after tax - 2020	-	-	-	-	-	(27,494)	(27,494)	(26,815)	(2,080)	2,522	(26,373)	(53,867)
D5	Total comprehensive income - 2020	-	-	-	-	-	169,941	169,941	(26,815)	(2,080)	2,522	(26,373)	143,568
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	783	783	-	(783)	-	(783)	-
Z1	Balance as at December 31, 2020	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
	Appropriation and distribution of 2020 earnings (Note 22)												
B1	Legal reserve	-	-	-	17,072	-	(17,072)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	27,156	(27,156)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(167,053)	(167,053)	-	-	-	-	(167,053)
		-	-	-	17,072	27,156	(211,281)	(167,053)	-	-	-	-	(167,053)
D1	Net profit - 2021	-	-	-	-	-	403,880	403,880	-	-	-	-	403,880
D3	Other comprehensive income after tax - 2021	-	-	-	-	-	(9,093)	(9,093)	52,719	7,253	(17,994)	41,978	32,885
D5	Total comprehensive income - 2021	-	-	-	-	-	394,787	394,787	52,719	7,253	(17,994)	41,978	436,765
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	2,806	2,806	-	(2,806)	-	(2,806)	-
Z1	Balance as at December 31, 2021	123,743	\$ 1,237,426	\$ 628,374	\$ 631,546	\$ 95,811	\$ 693,450	\$ 1,420,807	\$ (103,630)	\$ 80,844	\$ (33,853)	\$ (56,639)	\$ 3,229,968

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

Chairman: Chung-Te Chen

Managerial Officer: Chih-Feng Lee

Accounting Officer: Ya-Min Chuang

China Ecotek Corporation and Subsidiaries

Consolidated Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

Code		2021	2020
	Cash flow from operating activities		
A10000	Net profit before tax	\$ 482,839	\$ 239,460
A20010	Revenues and expenses		
A20100	Depreciation expense	53,492	52,253
A20200	Amortization expense	3,545	4,696
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(17,234)	(935)
A20900	Financial costs	1,528	1,787
A21200	Interest income	(49,252)	(57,352)
A21300	Dividend income	(26,400)	(23,360)
A22300	Share of income/losses of affiliated enterprises recognized under the equity method	(144,935)	(95,768)
A22500	Income from disposal of property, plant and equipment	(117)	(187)
A23200	Gains on disposal of investments under the equity method	(4,570)	-
A23900	Unrealized sales margin	23,804	21,608
A24000	Realized sales margin	(10,277)	(7,223)
A29900	Liability provision	33,282	74,854
A29900	Others	(53)	(39)
A30000	Net changes in operating assets and liabilities		
A31120	Hedging financial assets	(97,727)	(222,342)
A31125	Contract assets	(18,188)	262,680
A31150	Accounts receivable	94,583	158,592
A31160	Accounts receivable – related parties	206,661	117,213
A31180	Other receivables	(1,946)	(288)
A31200	Inventory	(1,024)	(2,462)
A31240	Other current assets	(37,665)	57,084
A32125	Contract liabilities	80,266	589,180
A32150	Accounts payable	(167,574)	211,073
A32160	Accounts payable - related parties	1,085	(4,773)
A32180	Other payables	31,259	64,477
A32200	Liability provision	(81,775)	(87,002)
A32230	Other current liabilities	18,927	(18,849)
A32240	Net defined benefit liability	(111,719)	(1,776)
A33000	Cash inflow generated from operating activities	260,815	1,332,601
A33500	Income tax paid	(24,009)	(39,139)
AAAA	Net cash inflow from operating activities	236,806	1,293,462
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(3,976)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	4,580
B00100	Acquisition of financial assets at fair value through profit or loss	(1,027,226)	(65,952)
B00200	Disposal of financial assets at fair value through profit or loss	843,914	-
B01800	Acquisition of investments recognized under the equity method	(60,000)	(50,000)
B01900	Disposal of investments recognized under the equity method	78,060	-

Code		2021	2020
B02400	Refunded payments for shares from capital reduction of investee recognized under the equity method	15,707	2,681
B02700	Acquisition of property, plant and equipment	(509,214)	(22,830)
B02800	Proceeds from disposal of property, plant and equipment	120	192
B03700	Increase in guarantee deposits paid	(36,522)	-
B03800	Decrease in guarantee deposits	-	3,206
B04200	Decrease in other receivables	20,981	-
B04500	Acquisition of intangible assets	(3,022)	(2,911)
B06500	Increase of other financial assets	(411,595)	(295,066)
B06700	Increase of other non-current assets	-	(231)
B06800	Decrease of other non-current assets	1,029	-
B07500	Interest received	51,945	37,357
B07600	Dividend received from affiliated enterprises	84,526	59,922
B07600	Other dividends received	26,400	23,360
BBBB	Net cash outflow from investing activities	(924,897)	(309,668)
	Cash flow from financing activities		
C00200	Decrease in short-term borrowings	-	(310,000)
C03000	Increase in guarantee deposits received	4,459	6,601
C04020	Repayments of lease liabilities	(33,069)	(32,684)
C04500	Distribution of cash dividends	(167,053)	(148,491)
C05600	Interest paid	(1,528)	(2,021)
CCCC	Net cash outflow from financing activities	(197,191)	(486,595)
DDDD	Effect of exchange rate changes on cash and cash equivalents	54,694	(32,860)
EEEE	Net increase (decrease) in cash and cash equivalents	(830,588)	464,339
E00100	Cash and cash equivalents at beginning of period	1,600,804	1,136,465
E00200	Cash and cash equivalents at end of period	\$ 770,216	\$ 1,600,804

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee Accounting Officer: Ya-Min Chuang

Independent Auditors' Report

The Board of Directors and Shareholders

China Ecotek Corporation

Opinion

China Ecotek Corporation's (The Company) Balance Sheet as of December 31, 2021 and 2020 and Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and Notes to Financial Statements (including material accounting policies) from January 1 to December 31, 2021 and 2020 have been audited by the CPA.

In the opinion of the CPA, the financial statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects and can be reasonably expressed to present the financial conditions of China Ecotek Corporation as at December 31, 2021 and 2020 as well as its financial performance and cash flow from January 1 to December 31, 2021 and 2020.

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 Auditors' Responsibilities for the Audit of the Financial Statements. The responsibilities of the auditors under such standards are to be further described in the section of Auditors' Responsibilities for the Audit of the Financial Statements. The auditors of the firm subject to the independence regulations have maintained independence from China Ecotek Corporation in accordance with the Code of Ethics and performed 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.

Key Audit Matters

Key audit matters are the most important matters in the 2021 standalone financial statements of the Company determined based on our professional judgment. We have already responded to the matters in the process of auditing the standalone financial statements and forming an audit opinion, and will not express opinions on individual matters.

Key audit matters in the 2021 standalone financial statements of the Company are as follows:

Assessment of the estimated total project cost

CEC has signed many construction contracts, and recognizes construction revenues according to the percentage completion method during the contract period. If a construction contract is expected to result in a loss, the total loss resulting from the contract must be immediately recognized. Construction progress is calculated based on the actual construction costs incurred under each contract as a percentage of the total

construction cost of the project. The total project cost involves a major accounting estimate, and affects the recognition of construction progress and revenues. Hence, the assessment of estimated total project cost is listed as a key audit matter. For relevant accounting policies, major accounting estimates, and explanations of determination, please refer to the Notes to Financial Statements Note 4 and Note 5.

Main audit procedures used to assess the estimated total project cost is as follows:

1. Understand control procedures for the assessment of the estimated total project cost, and conduct sampling inspections of the consistency between preparation process and internal controls.
2. Conduct a sampling inspection of documentation related to the assessment of the estimated total project cost for new projects and additions/reductions in the current year.
3. Conduct a sampling inspection to see if there are any major abnormalities in the actual total cost of projects concluded this year and their estimated total project cost, in order to verify the reasonableness of estimated total project cost. Conduct a sampling inspection of abnormal changes in estimated total cost, in order to determine the reasonableness of estimated total cost of the construction progress before the balance sheet date.

Management and the Governance Department's Responsibility for the Standalone Financial Statements

The responsibility of management is to prepare fairly presented standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of standalone financial statements, in order to ensure that the standalone financial statements are free of material misstatements, whether due to fraud or error.

When preparing the standalone financial statements, it is also the responsibility of management to evaluate the Company's ability to continue as a going concern, disclosures, and going concern basis of accounting, unless management intends to liquidate or permanently shut down the Company, or there are no feasible options other than liquidation or termination.

The governance units of China Ecotek Corporation are responsible for overseeing the financial reporting process thereof.

The Independent Auditors' Responsibility when Auditing the Standalone Financial Statements

The purpose for auditing the standalone financial statements is to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance means high level of assurance. However, audits conducted according to generally accepted auditing standards do not guarantee the detection of material misstatements in the standalone financial statements. Misstatement may be caused by fraud or error. A misstatement is deemed material if the individual amount or total amount can be reasonably expected to affect the economic decision made by users of the

standalone financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risk of material misstatements of the financial statements due to fraud or error. Design and adopt appropriate countermeasures for the risks assessed. In addition, obtain sufficient and appropriate audit evidences in order to be used as the basis for the opinion. Since fraud may involve a conspiracy, counterfeit, intentional disclosure, deceptive statement or exceeding internal control, consequently, the risk of failure to discover material misstatement due to fraud is higher than the risk due to error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of China Ecotek Corporation.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidences obtained, evaluate appropriateness of the continuous operation accounting basis and whether or not events or circumstances possibly generating material concerns on the continuous operation ability of China Ecotek Corporation have significant uncertainty, and provide conclusion thereto. If we believe there are material uncertainties about such events or situations, we are required to provide a reminder in the audit report for users of the standalone financial statements to pay attention to related disclosures, or modify our audit opinion when the disclosures are inappropriate. Our conclusion is based on the audit evidence we obtained as of the audit report date. Nevertheless, future events and circumstances may still cause China Ecotek Corporation to lose their ability to continue as a going concern.
5. Evaluated the overall presentation, structure, and contents of the standalone financial statements (including related notes), and whether or not the standalone financial statements fairly present related transactions and events.
6. Obtained sufficient and appropriate audit evidence of financial information on the Company, and expressed our opinion on the standalone financial statements. We are responsible for guidance, supervision, and implementation of the audit, and for forming an audit opinion on the Company.

Matters we communicated with the governance department include the scope and time of the audit, as well as major findings in the audit (including significant deficiencies in

internal control identified in the audit process).

We also provided the governance department with a statement that personnel of our firm who are required to maintain independence according to the Code of Professional Ethics have maintained independence, and communicated all relationships and other matters (including related preventive measures) that may affect the independence of auditors with the governance department.

Among the matters we communicated with the governance department, we decided on key audit matters in the 2021 standalone consolidated financial statements of the Company. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2022

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

China Ecotek Corporation
Balance Sheet
December 31, 2021 and 2020

Unit: Thousand NTD

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6, and 14)	\$ 613,523	9	\$ 1,448,110	22
1110	Current financial assets at fair value through profit or loss (Notes 4 and 7)	218,977	4	66,109	1
1139	Hedging financial assets - current (Notes 4 and 12)	748,517	11	668,153	10
1140	Current contract assets (Notes 4, 23, and 29)	618,425	9	568,469	8
1170	Accounts receivable (Notes 4 and 9)	104,035	2	174,025	3
1180	Accounts receivable – related parties (Notes 4, 9, and 29)	684,886	10	896,635	13
1200	Other receivables (Note 9)	6,360	-	358	-
1220	Current income tax assets (Note 25)	8,495	-	1,436	-
130X	Inventory (Notes 4 and 10)	6,214	-	5,947	-
1476	Other financial assets – current (Notes 12 and 30)	484,707	7	168,854	3
1479	Other current assets (Note 13)	133,382	2	73,322	1
11XX	Total current assets	<u>3,627,521</u>	<u>54</u>	<u>4,071,418</u>	<u>61</u>
	Non-current assets				
1510	Noncurrent financial assets at fair value through profit or loss (Notes 4 and 7)	70,880	1	23,202	1
1517	Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	132,068	2	157,720	3
1550	Investments recognized under the equity method (Notes 4 and 11)	2,085,965	31	1,998,844	30
1600	Property, plant and equipment (Notes 4 and 15)	636,124	9	138,084	2
1755	Right-of-use assets (Notes 4 and 16)	100,779	2	85,868	1
1780	Intangible assets (Note 4)	3,956	-	4,479	-
1840	Deferred income tax assets (Note 25)	90,348	1	125,876	2
1915	Advance payments for equipment	-	-	8,435	-
1920	Guarantee deposits paid	6,091	-	6,877	-
1995	Other non-current assets	47	-	1,076	-
15XX	Total non-current assets	<u>3,126,258</u>	<u>46</u>	<u>2,550,461</u>	<u>39</u>
1XXX	Total assets	<u>\$ 6,753,779</u>	<u>100</u>	<u>\$ 6,621,879</u>	<u>100</u>

Code	Liabilities and equity interests				
	Current liabilities				
2130	Current contract liabilities (Notes 4, 23, and 29)	\$ 1,705,516	25	\$ 1,637,156	25
2170	Accounts payable (Note 17)	691,459	10	846,360	13
2180	Accounts payable - related parties (Notes 17 and 29)	7,131	-	5,967	-
2200	Other payables (Notes 14 and 18)	528,781	8	498,367	7
2230	Current income tax liabilities (Note 25)	-	-	3,202	-
2250	Liability provision – current (Notes 4, 14, and 19)	53,250	1	103,728	2
2280	Current lease liabilities (Notes 4, 16, and 29)	35,301	1	27,853	-
2399	Other current liabilities (Note 18)	93,078	1	70,086	1
21XX	Total current liabilities	<u>3,114,516</u>	<u>46</u>	<u>3,192,719</u>	<u>48</u>
	Non-current liabilities				
2550	Liability provision – noncurrent (Notes 4, 14, and 19)	23,746	-	21,649	-
2570	Deferred income tax liabilities (Note 25)	57,674	1	28,794	-
2580	Non-current lease liabilities (Notes 4, 16, and 29)	64,212	1	56,475	1
2640	Net defined benefit liability (Notes 4 and 20)	263,663	4	361,986	6
25XX	Total non-current liabilities	<u>409,295</u>	<u>6</u>	<u>468,904</u>	<u>7</u>
2XXX	Total liabilities	<u>3,523,811</u>	<u>52</u>	<u>3,661,623</u>	<u>55</u>
	Equity (Note 22)				
3110	Capital – common stock	1,237,426	18	1,237,426	19
3200	Capital surplus	628,374	9	628,374	9
	Retained earnings				
3310	Legal reserve	631,546	9	614,474	9
3320	Special reserve	95,811	2	68,655	1
3350	Undistributed earnings	693,450	10	507,138	8
3300	Total retained earnings	<u>1,420,807</u>	<u>21</u>	<u>1,190,267</u>	<u>18</u>
3400	Other equity	<u>(56,639)</u>	<u>-</u>	<u>(95,811)</u>	<u>(1)</u>
3XXX	Total equity	<u>3,229,968</u>	<u>48</u>	<u>2,960,256</u>	<u>45</u>
	Total liabilities and equity interests	<u>\$ 6,753,779</u>	<u>100</u>	<u>\$ 6,621,879</u>	<u>100</u>

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee Accounting Officer: Ya-Min Chuang

China Ecotek Corporation
Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD, EPS in NTD

Code	2021		2020		
	Amount	%	Amount	%	
	Operating revenue (Notes 4, 14, 23, and 29)				
4100	\$ 84,797	1	\$ 62,654	1	
4500	7,992,593	95	8,273,401	96	
4600	293,838	4	291,277	3	
4000	<u>8,371,228</u>	<u>100</u>	<u>8,627,332</u>	<u>100</u>	
	Operating costs (Notes 10, 14, 24, and 29)				
5110	59,953	1	44,878	-	
5500	7,368,033	88	7,874,810	91	
5600	247,782	3	231,519	3	
5000	<u>7,675,768</u>	<u>92</u>	<u>8,151,207</u>	<u>94</u>	
5900	695,460	8	476,125	6	
5910	Less: Unrealized gain from sale	23,804	-	21,608	-
5920	Plus: Realized gain from sale	<u>10,277</u>	-	<u>7,223</u>	-
5950	Realized gross profit from operations	<u>681,933</u>	<u>8</u>	<u>461,740</u>	<u>6</u>
	Operating expenses (Note 24)				
6100	Selling expenses	56,160	1	49,907	1
6200	Administrative expenses	369,894	4	357,417	4
6300	Research and development expenses	16,880	-	10,031	-
6000	Total operating expenses	<u>442,934</u>	<u>5</u>	<u>417,355</u>	<u>5</u>

<u>Code</u>	<u>2021</u>		<u>2020</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
6900	Operating profit	238,999	3	44,385	1
	Non-operating income and expenses (Notes 11, 24, and 29)				
7100	Interest income	5,842	-	8,685	-
7010	Other income	28,399	1	24,151	-
7020	Other profits and losses	13,728	-	(3,822)	-
7050	Financial costs	(1,514)	-	(1,766)	-
7060	Share of income/losses of subsidiaries and affiliated enterprises recognized under the equity method	180,389	2	153,599	2
7000	Total	226,844	3	180,847	2
7900	Pre-tax profit	465,843	6	225,232	3
7950	Income tax expense (Notes 4 and 25)	61,963	1	27,797	-
8200	Net profit for the year	403,880	5	197,435	3
	Other comprehensive income (Notes 20, 22, and 25)				
8310	Items not reclassified as income				
8311	Remeasurements of the net defined benefit	(13,396)	-	(32,903)	(1)
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(25,652)	(1)	19,052	-
8320	Share of other comprehensive income of subsidiaries and affiliated enterprise recognized under	29,398	-	(18,615)	-

Code	2021		2020	
	Amount	%	Amount	%
the equity method				
Income tax related to components of other				
8349 comprehensive income that will not be reclassified to profit or loss	7,810	-	2,892	-
Components of other				
8360 comprehensive income that will be reclassified to profit or loss				
8368 Profit/loss from hedging instruments	(17,363)	-	624	-
Share of other				
8370 comprehensive income of subsidiaries and affiliated enterprise recognized under the equity method	61,781	1	(31,119)	-
Income tax related to components of other				
8399 comprehensive income that may be reclassified to profit or loss	<u>(9,693)</u>	-	<u>6,202</u>	-
8300 Other comprehensive income in the current year	<u>32,885</u>	-	<u>(53,867)</u>	<u>(1)</u>
8500 Total comprehensive income in the current year	<u>\$ 436,765</u>	<u>5</u>	<u>\$ 143,568</u>	<u>2</u>
Earnings per share (Note 26)				
9750 Basic	\$ 3.26		\$ 1.60	
9850 Diluted	3.25		1.59	

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee
Accounting Officer: Ya-Min Chuang

China Ecotek Corporation
Statement of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

Code		Capital – common stock		Retained earnings				Other equity interests			Total	Total equity	
		Shares (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			Profit/loss from hedging instruments
A1	Balance as at January 1, 2020	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	Appropriation and distribution of 2019 earnings (Note 22)												
B1	Legal reserve	-	-	-	13,535	-	(13,535)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	31,875	(31,875)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(148,491)	(148,491)	-	-	-	-	(148,491)
		-	-	-	13,535	31,875	(193,901)	(148,491)	-	-	-	-	(148,491)
D1	Net profit - 2020	-	-	-	-	-	197,435	197,435	-	-	-	-	197,435
D3	Other comprehensive income after tax - 2020	-	-	-	-	-	(27,494)	(27,494)	(26,815)	(2,080)	2,522	(26,373)	(53,867)
D5	Total comprehensive income - 2020	-	-	-	-	-	169,941	169,941	(26,815)	(2,080)	2,522	(26,373)	143,568
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	783	783	-	(783)	-	(783)	-
Z1	Balance as at December 31, 2020	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
B1	Appropriation and distribution of 2020 earnings (Note 22)												
B1	Legal reserve	-	-	-	17,072	-	(17,072)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	27,156	(27,156)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(167,053)	(167,053)	-	-	-	-	(167,053)
		-	-	-	17,072	27,156	(211,281)	(167,053)	-	-	-	-	(167,053)
D1	Net profit - 2021	-	-	-	-	-	403,880	403,880	-	-	-	-	403,880
D3	Other comprehensive income after tax - 2021	-	-	-	-	-	(9,093)	(9,093)	52,719	7,253	(17,994)	41,978	32,885
D5	Total comprehensive income - 2021	-	-	-	-	-	394,787	394,787	52,719	7,253	(17,994)	41,978	436,765
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	2,806	2,806	-	(2,806)	-	(2,806)	-
Z1	Balance as at December 31, 2021	123,743	\$ 1,237,426	\$ 628,374	\$ 631,546	\$ 95,811	\$ 693,450	\$ 1,420,807	\$ (103,630)	\$ 80,844	\$ (33,853)	\$ (56,639)	\$ 3,229,968

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee Accounting Officer: Ya-Min Chuang

China Ecotek Corporation
Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: Thousand NTD

<u>Code</u>		<u>2021</u>	<u>2020</u>
	Cash flow from operating activities		
A10000	Net profit before tax	\$ 465,843	\$ 225,232
A20010	Revenues and expenses		
A20100	Depreciation expense	51,839	49,981
A20200	Amortization expense	3,545	4,696
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(17,234)	(935)
A20900	Financial costs	1,514	1,766
A21200	Interest income	(5,842)	(8,685)
A21300	Dividend income	(26,400)	(23,360)
A22300	Share of income/losses of subsidiaries and affiliated enterprises recognized under the equity method	(180,389)	(153,599)
A22500	Income from disposal of property, plant and equipment	(117)	(187)
A23900	Unrealized sales margin	23,804	21,608
A24000	Realized sales	(10,277)	(7,223)

Code	2021	2020
	margin	
A29900	Liability provision	33,282
A29900	Others	74,854
A30000	Net changes in operating assets and liabilities	(50)
A31120	Hedging financial assets	-
A31125	Contract assets	(97,727)
A31150	Accounts receivable	(222,342)
A31160	Accounts receivable – related parties	99,450
A31180	Other receivables	69,990
A31200	Inventory	93,996
A31240	Other current assets	211,749
A32125	Contract liabilities	(5,202)
A32150	Accounts payable	(267)
A32160	Accounts payable - related parties	(22,594)
A32180	Other payables	68,360
A32200	Liability provision	663,506
A32230	Other current liabilities	(154,901)
A32240	Net defined benefit liability	1,164
A33000	Cash inflow generated from operating activities	29,995
A33500	Income tax paid	(81,663)
AAAA	Net cash inflow from operating activities	(85,508)
		(18,700)
		(111,719)
		215,508
		1,072,932
		(9,699)
		(27,812)
		205,809
		1,045,120

<u>Code</u>	<u>2021</u>	<u>2020</u>
B00010	-	(3,976)
B00020	-	4,580
B00100	(1,027,226)	(65,952)
B00200	843,914	-
B01800	(60,000)	(50,000)
B02300	46,373	23,966
B02400	141	2,681
B02700	(509,214)	(22,830)

Code	2021	2020
B02800	120	192
B03700	(36,680)	-
B03800	-	1,875
B04100	(60)	-
B04500	(3,022)	(2,911)
B06500	(315,853)	(22,206)
B06700	-	(231)
B06800	1,029	-
B07500	5,102	10,452
B07600	184,406	151,146
B07600	26,400	23,360
BBBB	(844,570)	50,146
C00200	-	(310,000)
C03000	4,231	6,762

Code		2021	2020
	received		
C04020	Repayments of lease liabilities	(31,490)	(30,973)
C04500	Distribution of cash dividends	(167,053)	(148,491)
C05600	Interest paid	(1,514)	(2,000)
CCCC	Net cash outflow from financing activities	(195,826)	(484,702)
EEEE	Net increase (decrease) in cash and cash equivalents	(834,587)	610,564
E00100	Cash and cash equivalents at beginning of period	1,448,110	837,546
E00200	Cash and cash equivalents at end of period \$	613,523	\$ 1,448,110

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

Chairman: Chung-Te Chen Managerial Officer: Chih-Feng Lee
Accounting Officer: Ya-Min Chuang

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 : Adoption of the proposal for distribution of 2021 profits.

Proposed by the board of directors of the Company

Explanatory Note:

For the 2021 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\$ 321,730,635 is to be distributed, and the cash bonus of NT\$ 2.6 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 2021 Expected Earning Distribution Table

NT\$

Summary	Amount
2021 beginning undistributed earnings	\$ 295,855,821
2021 Net income	403,880,244
Investment adjusted retained earnings under equity method	4,429,250
Defined benefit plan re-measurement recognized in retained earnings	(10,716,984)
Adjusted undistributed earnings	\$ 693,448,331
Legal reserve	(39,759,251)
Reversal of Special reserve	<u>39,172,384</u>
Earnings available for distribution	\$ 692,861,464
Distribution item:	
Shareholders cash bonus (NT\$2.6 per share)	(321,730,635)
Undistributed earnings at end of 2021	\$ 371,130,829

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.

III. Discussion Items

Proposal 1

Cause: Amendments of some provisions of the Articles of Incorporation ; please refer to the referendum.

Proposed by the board of directors of the Company

Explanatory Note:

I. In line with the company's business needs, it is proposed to amend the business scope regulated by Article 2 of the company's articles of association, and add the business items of "C802990 Other chemical products manufacturing industry".

II. Please see Attachment 3 for the comparison table of draft clauses and the clauses in force.

Attachment 3

China Ecotek Corporation Comparison Table for Amendments to the Articles of Incorporation

Revised clauses	Clauses in force	Description
Article 2 The scope of business of the Company is as listed on the left: 1. C802120 Industrial Catalyst Manufacturing 2. C802990 Other chemical products manufacturing industry 3. C901060 Refractory Materials Manufacturing	Article 2 The scope of business of the Company is as listed on the left: 1. C802120 Industrial Catalyst Manufacturing 2. C901060 Refractory Materials Manufacturing	Due to business needs, new business items were added to the second item, and the original items 2 to 158 were moved to items 3 to 159
Article 36 These Articles of	Article 36 These Articles of	Added the number and

<p>Incorporation were established on March 2, 1993. First amendment was made according to the resolution of the extraordinary shareholders' meeting on May 25, 1993.....</p> <p>17th amendment was made according to the resolution of the shareholders' meeting on August 26, 2021. 18th amendment was made according to the resolution of the shareholders' meeting on June XX, 2022.</p>	<p>Incorporation were established on March 2, 1993. First amendment was made according to the resolution of the extraordinary shareholders' meeting on May 25, 1993.....</p> <p>17th amendment was made according to the resolution of the shareholders' meeting on August 26, 2021.</p>	<p>date of the current amendment.</p>
--	--	---------------------------------------

Proposal 2

Cause: Amendments of some provisions of the Procedures for Acquisition or Disposal of Assets ; please refer to the referendum.

Proposed by the board of directors of the Company

Explanatory Note:

I. According to the announcement of the Financial Supervisory Commission on January 28, 2022 Jin-Guan-Zheng-Far-Zi No. 1110380465, parts of the provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, and some provisions of the procedures for handling assets acquired or disposed of by the Company were proposed to be amended.

II. Please see Attachment 4 for the comparison table of draft clauses and the clauses in force..

Attachment 4

China Ecotek Corporation Comparison Table for Amendments to the Procedures for Acquisition or Disposal of Assets

Revised clauses	Clauses in force	Explanation
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (Paragraph I~III omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph <u>shall be handled in accordance with the self-discipline regulations of the trade associations to which it belongs</u> and the following :</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>implement</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>appropriateness</u>, and</p>	<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (Paragraph I~III omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence</p>	<p>The article was revised in coordination with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

<p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>appropriately</u>, and that they have complied with applicable laws and regulations.</p>	<p>and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	
<p>Article 7: Limits of acquisition of non-operating real properties and right-of-use assets thereof and securities</p> <p>Limits of real properties and right-of-use assets thereof or securities acquired individually by the Company and each subsidiary are as follows:</p> <p>(I) For non-operating real properties and right-of-use assets thereof, the total amount shall not exceed 15 percent of the net worth indicated in the most recent period of individual financial statements of the Company and each subsidiary.</p> <p>(II) The total amount of investment in securities shall not exceed <u>80</u> percent of the paid-in capital indicated in the most recent period of individual financial statements of the Company and each subsidiary; however, the tools of domestic/foreign bond funds,</p>	<p>Article 7: Limits of acquisition of non-operating real properties and right-of-use assets thereof and securities</p> <p>Limits of real properties and right-of-use assets thereof or securities acquired individually by the Company and each subsidiary are as follows:</p> <p>(I) For non-operating real properties and right-of-use assets thereof, the total amount shall not exceed 15 percent of the net worth indicated in the most recent period of individual financial statements of the Company and each subsidiary.</p> <p>(II) The total amount of investment in securities shall not exceed <u>40</u> percent of the paid-in capital indicated in the most recent period of individual financial statements of the Company and each subsidiary; however, the tools of domestic/foreign bond funds, domestic/foreign currency funds, negotiable certificates of deposits, short-term commercial papers and bank acceptances, etc. acquired for the</p>	<p>In order to meet the needs of the company's operation and development and the current practical operation, it is proposed to revise the investment securities quota, and this provision is to be revised.</p>

<p>domestic/foreign currency funds, negotiable certificates of deposits, short-term commercial papers and bank acceptances, etc. acquired for the purpose of capital management shall be excluded from such restriction.</p> <p>(III) The amount of investment in an individual securities shall not exceed 25 percent of the paid-in capital indicated in the most recent individual financial statements of the Company and each subsidiary. The securities described in the preceding securities does not include the invested enterprises for the purposes of profit-seeking, acquisition or merger.</p>	<p>purpose of capital management shall be excluded from such restriction.</p> <p>(III) The amount of investment in an individual securities shall not exceed 25 percent of the paid-in capital indicated in the most recent individual financial statements of the Company and each subsidiary.</p> <p>The securities described in the preceding securities does not include the invested enterprises for the purposes of profit-seeking, acquisition or merger.</p>	
<p>Article 8: Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof (Paragraph I-III omitted)</p> <p>IV. Appraisal report of real property, equipment or right-of-use assets thereof</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an</p>	<p>Article 8: Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof (Paragraph I-III omitted)</p> <p>IV. Appraisal report of real property, equipment or right-of-use assets thereof</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p>	<p>The article was revised in coordination with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

<p>appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval by the board of directors in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reasons for the discrepancy and the appropriateness of the transaction price:</p> <p>1. Where the discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount</p>	<p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval by the board of directors in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (hereinafter referred to as ARDF) and render a specific opinion regarding the reasons for the discrepancy and the appropriateness of the transaction price:</p> <p>1. Where the discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount</p> <p>2. Where the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(IV) No more than 3 months shall elapse</p>	
--	---	--

<p>2. Where the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(IV) No more than 3 months shall elapse between issuance date of the appraisal report by professional appraiser and the contract execution date. However, if the announced current value for the same period is applicable and not more than 6 months have elapsed, an opinion letter shall be issued by the original professional appraiser.</p>	<p>between issuance date of the appraisal report by professional appraiser and the contract execution date. However, if the announced current value for the same period is applicable and not more than 6 months have elapsed, an opinion letter shall be issued by the original professional appraiser.</p> <p>(V) Where the company acquires or disposes of assets through court action, the evidentiary documents issued by the court may be substituted for the appraisal report or the accountant's opinion.</p>	
<p>Article 9: Procedures for acquisition or disposal of securities investment (Paragraph I~III omitted)</p> <p>IV. Obtaining expert opinion (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the</p>	<p>Article 9: Procedures for acquisition or disposal of securities investment (Paragraph I~III omitted)</p> <p>IV. Obtaining expert opinion (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDE. This requirement does not apply,</p>	<p>The article was revised in coordination with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

<p>CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Below omitted)</p>	<p>however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Below omitted)</p>	
<p>Article 10-1: Related party transaction evaluation and operation procedures§ When the Company obtains or disposes of real estate or its right-of-use assets from related parties, or acquires or disposes of other assets other than real estate or right-of-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets, or more than NT\$300 million, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions or subscribing to or buying back money market funds issued by domestic securities investment trusts, then the following information should be included after submission to the board for approval and before signing the transaction contract and payment: (Paragraph I-VI omitted) (VII) Restrictive covenants and other important stipulations</p>	<p>Article 10-1: Related party transaction evaluation and operation procedures§ When the Company obtains or disposes of real estate or its right-of-use assets from related parties, or acquires or disposes of other assets other than real estate or right-of-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets, or more than NT\$300 million, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions or subscribing to or buying back money market funds issued by domestic securities investment trusts, then the following information should be included after submission to the board for approval and before signing the transaction contract and payment: (Paragraph I-VI omitted) (VII) Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below, when to be conducted between the Company and its parent company, subsidiaries or between</p>	<p>The article was revised in coordination with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

<p>associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent company, subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman, according to Paragraph 2 of Article 8, to decide such matters when the transaction is within the following amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting :</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p><u>If the company or the company's subsidiary that is not a domestic public offering company has the transaction amount in the first paragraph of the company's total assets of 10% or more, the company shall submit the listed information in the first paragraph to the shareholders' meeting for approval before transaction contract may be signed and payment made. However, transactions between the Company and the parent company, subsidiaries or subsidiaries are not subject to this limitation.</u></p>	<p>subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman, according to Paragraph 2 of Article 8, to decide such matters when the transaction is within the following amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting :</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. 	
--	---	--

<p>Article 11: Procedures for acquisition or disposal of real properties or right-of-use assets thereof or memberships (Paragraph I~II omitted)</p> <p>III. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 11: Procedures for acquisition or disposal of real properties or right-of-use assets thereof or memberships (Paragraph I~II omitted)</p> <p>III. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>The article was revised in coordination with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”.</p>																		
<p>Article 13: Procedures for acquisition or disposal derivatives</p> <p>I. Transaction principles and directives (Paragraph I~II omitted)</p> <p>III. Delegation of Responsibilities Finance Dept. :</p> <p>Approval authority for hedging transactions</p> <table border="1" data-bbox="120 1145 445 1442"> <thead> <tr> <th></th> <th>Transaction Amount</th> <th>Total daily amount</th> </tr> </thead> <tbody> <tr> <td>President</td> <td>Less than USD 2.5 million equivalent</td> <td>Less than USD 5 million equivalent</td> </tr> <tr> <td>Vice</td> <td>Less</td> <td>Less</td> </tr> </tbody> </table>		Transaction Amount	Total daily amount	President	Less than USD 2.5 million equivalent	Less than USD 5 million equivalent	Vice	Less	Less	<p>Article 13: Procedures for acquisition or disposal derivatives</p> <p>I. Transaction principles and directives (Paragraph I~II omitted)</p> <p>III. Delegation of Responsibilities Finance Dept. :</p> <p>Approval authority for hedging transactions</p> <table border="1" data-bbox="462 1117 820 1442"> <thead> <tr> <th></th> <th>Transaction Amount</th> <th>Total daily amount</th> </tr> </thead> <tbody> <tr> <td>President</td> <td>Less than USD 2.5 million equivalent</td> <td>Less than USD 5 million equivalent</td> </tr> <tr> <td>Vice President of</td> <td>Less than USD 1.5</td> <td>Less than</td> </tr> </tbody> </table>		Transaction Amount	Total daily amount	President	Less than USD 2.5 million equivalent	Less than USD 5 million equivalent	Vice President of	Less than USD 1.5	Less than	<p>Amendments are made in accordance with the revision of the Company's organizational regulations.</p>
	Transaction Amount	Total daily amount																		
President	Less than USD 2.5 million equivalent	Less than USD 5 million equivalent																		
Vice	Less	Less																		
	Transaction Amount	Total daily amount																		
President	Less than USD 2.5 million equivalent	Less than USD 5 million equivalent																		
Vice President of	Less than USD 1.5	Less than																		

President of Administration	than USD 1.5 million equivalent	than USD 3 million equivalent	Administration	million equivalent	USD 3 million equivalent	
Assistant Vice President of Administration	Less than USD 1 million equivalent	Less than USD 2 million equivalent	Manager of Finance Dept.	Less than USD 0.5 million equivalent	Less than USD 1 million equivalent	
Director of Finance Dept.	Less than USD 0.5 million equivalent	Less than USD 1 million equivalent				
<p>Article 19: Implementation This processing procedure has been approved by the board of directors and reported to the shareholders 'meeting for approval. If any director disagrees and has recorded or written statements, the company should send the objections to the audit committee and report to the shareholders meeting for discussion. The same applies to amendments.</p>			<p>Article 19: Implementation This processing procedure has been approved by the board of directors and reported to the shareholders 'meeting for approval. If any director disagrees and has recorded or written statements, the company should send the objections to the audit committee and report to the shareholders meeting for discussion. The same applies to amendments. From the tenth session of the board of directors of this Company, amendments to this processing procedure shall be approved by more than half of all members of the audit committee before the board of directors makes a resolution. If there is no more than one-half of the consent of the audit committee, more than two-thirds of all directors may agree, and the resolution of the audit committee shall be stated in the minutes of the board meeting.</p>			<p>The existing provisions stipulated that there was a need for a clear implementation timetable at the time. Now, because there is no such requirement, the content of the provisions has been revised and simplified.</p>

Proposal 3

Cause: Amendments of some provisions of the Rules Governing procedures for Shareholders' Meeting; please refer to the referendum.

Proposed by the board of directors of the Company

Explanatory Note:

I. Amendments are made to some provisions of the Rules Governing Procedures for Shareholders' Meeting of the Company in compliance with the amendments to the "Sample Template for XXX Co., Ltd., Rules of Procedure for Shareholders Meetings" announced in the Letter No. Taiwan-Stock-Governance-1100001446.

II. Please see Attachment 5 for the comparison table of draft clauses and the clauses in force..

Resolution:

Attachment 5

China Ecotek Corporation Comparison Table for Amendments to the Regulation of Shareholders Meeting

Revised clauses	Clauses in force	Description
<p>Article 2 (Above omitted) 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 26-1 of the Securities Exchange 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. Its main content should be listed and explained in the reason for convening. There shall be not by extraordinary motion. Where re-election of all Directors, as well as their inauguration date is stated in the notice of the reasons for convening the Shareholders' Meeting, such inauguration date shall not be altered by any extraordinary motion or otherwise in the said meeting after the completion of the re-election in the same meeting. 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</p>	<p>Article 2 (Above omitted) 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 not by extraordinary motion. 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 an 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</p>	<p>Amendments are made in accordance with the "Sample Template for XXX Co., Ltd., Rules of Procedure for Shareholders Meetings" of amendments announced in the Letter No. Taiwan-Stock-Governance-1100001446. (the example), item 5,7,9 of this article are amended and item 9 of this article is added.</p>

<p>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.</p> <p><u>Shareholders may put forward proposals to urge the company to promote public interests or fulfill its social responsibilities. The procedure shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Any proposal with more than one item shall not be included in the proposal.</u></p> <p>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.</p> <p>The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, <u>and any proposal containing more than 300 words shall not be included in the agenda of the shareholders'</u> 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.</p> <p>(Below omitted)</p>	<p>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.</p> <p>The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words. 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.</p> <p>(Below omitted)</p>	
Article 8	Article 8	Item 3 of this article is

<p>(Above omitted) The chairman shall call the meeting to order at the appointed meeting time. <u>At the same time, relevant information such as the number of non-voting rights and the number of shares attended will be announced.</u> 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. (Below omitted)</p>	<p>(Above omitted) The chairman 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. (Below omitted)</p>	<p>amended according to item 2 of Article 9 of the example.</p>
<p>Article 9 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. <u>Relevant motions (including provisional motions and amendments to original motions) shall be voted on a case-by-case basis.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. (Below omitted)</p>	<p>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. (Below omitted)</p>	<p>Item 1 of this article is amended according to item 1 of Article 10 of the example.</p>
<p>Article 12 (Above omitted) When the company holds a shareholders' meeting, <u>it shall use electronic means and may exercise its voting rights in writing.</u> When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder</p>	<p>Article 12 (Above omitted) 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'</p>	<p>Item 2 of this article is amended according to item 2 of article 13 of the example.</p>

<p>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. (Below omitted)</p>	<p>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. (Below omitted)</p>	
<p>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 and <u>the list of unsuccessful directors and the number of voting rights they have obtained.</u> (Below omitted)</p>	<p>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. (Below omitted)</p>	<p>Amend this provision in accordance with Paragraph 1 of Article 14 of the Example.</p>
<p>Article 14 (Above omitted) Proceedings shall be recorded according to year, month, day, venue, name of the chairman, resolution method, method of proceeding and <u>voting results (including number of voting rights).</u> <u>In the event of an election of directors, the proceedings shall disclose the number of voting rights won by each candidate.</u> During the existence of the company, it should be kept permanently and fully disclosed on the company's website.</p>	<p>Article 14 (Above omitted) 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.</p>	<p>Item 3 of this provision is amended according to item 3 of Article 15 of the example.</p>

Proposal 4
Company

Proposed by the board of directors of the

Cause: Draft amendments to some provisions of the company's " Regulations for Elections of Directors " are prepared; please refer to the referendum.

Description:

I. In accordance with the revised "Regulations for Elections of Directors of Procedure Reference Example" announced in the Taiwan Stock Exchange Corporation's Taiwan Securities Regulatory Commission Letter No. 1090009468, it is proposed to revise some provisions of the company's " Regulations for Elections of Directors ".

II. Please see Attachment 6 for the comparison table of draft clauses and the clauses in force.

Resolution:

Attachment 6

China Ecotek Corporation Comparison Table for Amendments to the Regulations for Elections of Directors

Revised clauses	Clauses in force	Description
<p>Article 3 The Company adopts the candidate nomination system to elect directors. <u>When nominating a director candidate, the name, education and experience of the nominee shall be stated</u>, and shall be handled in accordance with Article 192-1 of the Company Law. Independent directors and non-independent directors shall be nominated separately, and shareholders shall select and appoint from the two candidates respectively.</p> <p>The nomination of independent directors of the company <u>shall be handled in accordance with</u> the provisions of Article 5 of the Regulations on the Establishment and Compliance of Independent Directors of Public Offering Companies. (Omitted below)</p>	<p>Article 3 The Company adopts the candidate nomination system for the election of directors. The Company <u>shall carefully review the qualifications, education, working experience, background of the nominees and the existence of any other matters set forth in Article 30 of the Company Act with respect to the nominee directors</u>, and shall handle the election according to Article 192-1 of the Company Act. Independent directors and non-independent directors shall be nominated separately, and the shareholders shall elect independent directors and non-independent directors from the two candidate rosters respectively.</p> <p>For the nomination of independent directors of the Company, where <u>special requirements</u> are specified in the Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, <u>such requirements shall also be applicable</u>.</p> <p>(Omitted below)</p>	<ol style="list-style-type: none"> 1. According with the amendment of Article 192-1 of the Company Law, the documents required for nomination of directors have been simplified. 2. The supporting documents that independent directors shall be handled in accordance with relevant regulations such as the Securities and Exchange Act.
<p>Article 9 The voters shall enter the following information at the “candidate” field on the candidate roster of independent director or non-independent director, followed by dropping the ballot into the ballot box:</p> <p>I. When a candidate is a natural person shareholder <u>or</u> a natural person who is not a shareholder, fill in the name of</p>	<p>Article 9 The voters shall enter the following information at the “candidate” field on the candidate roster of independent director or non-independent director, followed by dropping the ballot into the ballot box:</p> <p>I. When a candidate is a natural person shareholder, the candidate's name and account number shall be entered. When</p>	<p>Amendment according to the example of amendments announced in Taiwan Zheng zhi zi No. 1090009468, and the Financial Regulatory Commission issued Jinguan Zhengjiao Zi No. 1080311451 Order on April 25, 2019.</p>

<p>the candidate <u>and the candidate number</u>.II. When a candidate is a corporate shareholder or a government shareholder, the name <u>and candidate number</u> of such corporate shareholder or government shareholder shall be entered.</p> <p>III. When a candidate is a representative designated by a corporate shareholder or government shareholder, the name, <u>candidate number</u> of the corporate shareholder or government shareholder as well as the name of the representative shall be entered.</p>	<p>a candidate is a non-shareholder natural person, the candidate's name, identification certificate number shall be entered.</p> <p>II. When a candidate is a corporate shareholder or a government shareholder, the name and account number of such corporate shareholder or government shareholder shall be entered.</p> <p>III. When a candidate is a representative designated by a corporate shareholder or government shareholder, the name, account number of the corporate shareholder or government shareholder as well as the name of the representative shall be entered. When there are a multiple number of representatives, the names of such representatives shall be entered respectively.</p>	
<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <p>I. Where the attendance sign-in card is not submitted to complete the sign-in procedure.</p> <p>II. Where the ballot provided by the board of director is not used.</p> <p>III. Where more than two candidates are entered on the ballot.</p> <p>IV. Where texts other than the name, account number of identification number of the candidate are entered on the ballot.</p> <p>V. Where the ballot is torn or damaged such that it is not a complete ballot.</p> <p>VI. Where the ballot is contained such that the candidate entered thereon cannot be identified clearly.</p>	<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <p>I. Where the attendance sign-in card is not submitted to complete the sign-in procedure.</p> <p>II. Where the ballot provided by the board of director is not used.</p> <p>III. Where more than two candidates are entered on the ballot.</p> <p>IV. Where texts other than the name, account number of identification number of the candidate are entered on the ballot.</p> <p>V. Where the ballot is torn or damaged such that it is not a complete ballot.</p> <p>VI. Where the ballot is contained such that the candidate entered thereon cannot be identified clearly.</p>	<p>1. In accordance with the provisions of Article 173 of the Company Law, the second paragraph of this article shall be amended.</p> <p>2. According to the example of amendments announced in Taiwan Zheng zhi zi No. 1090009468, and the Financial Regulatory Commission issued Jinguan Zhengjiao Zi No. 1080311451 Order on April 25, 2019, paragraphs 4 and 12 of this article amended, and paragraphs 9,10 and 11 of this article are deleted.</p>

<p>VII. Where the ballot is completely blank.</p> <p>VIII. Where the writing is unclear and unidentifiable or is altered; however, correction or addition/deletion for errors shall not be restricted.</p> <p><u>IX. The name and candidate number of the candidate filled in are missing or inconsistent with the candidate list.</u></p> <p><u>X. Where candidate for the independent director or non-independent director entered on the ballot is not in the roster of the independent directors or non-independent directors.</u></p>	<p>VII. Where the ballot is completely blank.</p> <p>VIII. Where the writing is unclear and unidentifiable or is altered; however, correction or addition/deletion for errors shall not be restricted.</p> <p>IX. Where the candidate entered is a shareholder, but his/her name or account number is inconsistent with the ones recorded on the shareholders' roster.</p> <p>X. Where the candidate entered is a non-shareholder natural person, but his/her name is inconsistent with the name indicated on the identification certificate.</p> <p>XI. Where the candidate entered is a representative designated by a corporate shareholder or government shareholder, but the name or account number of the corporate shareholder or government shareholder entered is inconsistent with the ones recorded on the shareholders' roster.</p> <p>XII. Where the name of the candidate entered on the ballot is identical to that of another shareholder, but no shareholder account number or identity certificate number is provided on the ballot to identify such individual.</p> <p>XIII. Where candidate for the independent director or non-independent director entered on the ballot is not in the roster of the independent directors or non-independent directors.</p>	
<p>Article 12 After the voting rights are counted completely, the vote monitoring personnel shall verify that the total amount of the valid ballots and invalid ballots are</p>	<p>Article 12 After the voting rights are counted completely, the vote monitoring personnel shall verify that the total amount of the valid ballots and invalid ballots are</p>	<p>Amendment are made in accordance with the Sample Template for XXX Co., Ltd., Rules of Procedure for</p>

<p>correct, followed by entering the number of valid ballots, invalid ballots and the number of voting rights of the two into the record table respectively, and shall submit it to the chair to announce the list of directors elected, <u>list of unsuccessful director</u> and the number of votes which they are elected.</p>	<p>correct, followed by entering the number of valid ballots, invalid ballots and the number of voting rights of the two into the record table respectively, and shall submit it to the chair to announce the list of directors elected and the number of votes which they are elected.</p>	<p>Shareholders Meetings” of announced in Taiwan Zheng zhi zi No. 1100001446, and according to article 13 of CEC’s Regulation of Shareholders Meeting.</p>
<p>Article 14 These Regulations shall be approved by the shareholders’ meeting. Any amendments of these Regulations shall be approved by the shareholders’ meeting before implementation.</p>	<p>Article 14 These Regulations shall be approved by the shareholders’ meeting and shall be implemented starting from the election of the 10th term of directors. Any amendments of these Regulations shall be approved by the shareholders’ meeting before implementation.</p>	<p>The existing provisions stipulated that there was a need for a clear implementation timetable at the time. Now, because there is no such requirement, the content of the provisions has been revised and simplified.</p>

IV. Extraordinary Motions

Three. Regulations and Rules

Regulations and Rules 1

China Ecotek Corporation Rules of Procedures for Shareholders Meetings(before amendment)

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.

Article 18

These Rules shall be implemented upon approval by a Shareholders' Meeting; the same shall apply when amendments are made hereto.

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 40 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 stipulated by the competent authority of securities, the Company's announcements will be made on newspapers, e-newspapers, or websites established or designated by the central competent authority.

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 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 director representing the Company, and shall be legally certified by the bank serving as the registrar before issuance.

The Company is exempted from printing physical securities, but must register its shares and comply with regulations of 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 Unless otherwise specified by law or Articles of Incorporation, shareholders' meetings are convened by the board of directors. The Company's shareholders' meetings is divided into the following two types:

- 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.
- II. Extraordinary shareholders' meetings shall be convened whenever necessary according to the law.

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 Shareholders' meetings that are convened by the Board of Directors 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 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 Directors, Audit Committee, and Managerial Officers

Article 18 The Company has nine to fifteen directors 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 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 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; the convener of the Audit Committee represents the Audit Committee externally.

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.

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

- I. Approval of annual business guidelines and budget.
- II. Approval of the appointment and dismissal of the president, vice presidents, financial and accounting managers, chief internal auditor, and consultants.
- III. Approval of annual business reports and financial statements.
- IV. Approval of pledge, sale/purchase or other disposal methods related to major assets of the Company.
- V. Approval of investment plans.
- VI. Approval of capital expenditures above NT\$40 million.
- VII. Approval of specialized technology, purchase or transfer of patent rights, and technical cooperation contracts above NT\$40 million.
- VIII. Approval of the establishment and dissolution of branch institutions.
- IX. Formulation of proposals to amend the Articles of Incorporation, change of capital, and Company's dissolution or merger.
- X. Formulation of proposals for earnings distribution or to offset losses.
- XI. Approval of the appointment, dismissal, and remuneration of accountants.
- XII. Approval of the Company's internal organizations and their authority and responsibilities.
- XIII. 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.
- XIV. Approval of the offering, issuance, or private placement of securities with equity characteristics and domestic and overseas corporate bonds.
- XV. Approval of other matters with powers provided by laws and regulations.

Article 20 Unless otherwise stipulated in the Company Act and other laws and regulations, the resolutions in a Board meeting shall be adopted by a majority vote of the directors present, who represent more than half of the total number of 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 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 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.O.C. 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 (Has been deleted)

Article 27 (Has been deleted)

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 27-2 The Company 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.

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.

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 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 statements in accordance with the Company Act, and submit the financial statements to the Audit Committee for review thirty days before the annual general meeting. The Audit Committee shall prepare an audit report to the annual general meeting for acknowledgment.

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.

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. The 17th amendment was made according to the resolution of the shareholders' meeting on August 26, 2021.

Four. List of Shareholding by Current Directors

(Up to the book closure of Annual Meeting of Shareholders of this year:
April 25, 2022)

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	Chen Yang				
Director	Hsiu-Mei Liu	Hua Eng Wire and Cable Co., Ltd.	4	11,843,730	9.57%
Director	Yu-Lun Kuo	Great Grandeul Steel Corporation	19071	3,948,000	3.19%
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				74,795,343	60.44%
Minimum number of shares required to be held by all directors				10,000,000	

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