

Stock code : 8473



FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Handbook for the 2023 Annual General Shareholders' Meeting

Meeting type : Physical shareholders' meeting

Date : June 13, 2023

Place : B1.,No.162,Songjiang Rd.,Zhongshan Dist.,Taipei City,Taiwan(R.O.C.)

Notice to readers : For the convenience of reads, “The Handbook for the 2023 Annual General Shareholders' Meeting” has been translated into English from the original Chinese version. 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 version shall prevail.

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Meeting Procedure

I. Call the Meeting to Order

II. Chairperson Remarks

III. Items to Report

IV. Items for Adoption

V. Extemporaneous Motions

VI. Adjournment

Agenda

I. Time : 9:00 AM, June 13, 2023

II. Place : B1.,No.162,Songjiang Rd.,Zhongshan Dist.,Taipei City,Taiwan(R.O.C.)

III. Meeting procedure

1. Call the Meeting to Order
2. Chairperson Remarks
3. Items to Report
 - (1) 2022 business report
 - (2) 2022 audit committee report
 - (3) 2022 report on employee's and director's remuneration distribution
4. Items for Adoption
 - (1) 2022 business report and financial statements
 - (2) 2022 deficit compensation
5. Extemporaneous motions
6. Adjournment

Items to Report

Proposal 1	2022 business report
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Descriptions

Please refer to Attachment 1 (page 9-10) for the 2022 business report.

Items to Report

Proposal 2	2022 audit committee report
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Descriptions

Please refer to Attachment 2 (page 11) for the 2022 audit committees' report.

Items to Report

Proposal 3	2022 report on employee's and director's remuneration distribution
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Descriptions

1. According to Articles of Incorporation, if the Company has a profit before tax for each fiscal year, the Company shall set aside no less than 2% of the remaining profit for distribution to the employees and no more than 2% of the remaining profit for distribution to directors as remuneration. However, when the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate employee compensation and director compensation in proportion to the preceding paragraph.
 2. Based on the net losses before tax in 2022, the Company will not distribute the remuneration for employees and directors.
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Items for Adoption

Proposal 1 2022 business report and financial statements

Descriptions

1. The individual financial statements and consolidated financial statements for the year 2022 have been verified by the CPA Chang, Shu-Ying and CPA Pan, Chun-Ming of KPMG. The Audit Committee has reviewed the business report together with the verification report completely then issued a written review report as attached.
2. Business report: Please refer to Attachment 1 (page 9-10) for the handbook. ;
Audit Report and Financial Statement: Please refer to Attachment 3 (page 12-30) for the handbook.
3. Please admit.

Resolution

Items for Adoption

Proposal 2 2022 deficit compensation

Descriptions

1. According to the Company Act and Articles of Incorporation, the Loss Allowance Table of 2022 shall be shown, please refer to the Attachment 4(Page 31) of the handbook.
2. The Loss Allowance Table of 2022 submitted by the Board of Directors on March 15, 2023, and the Audit Committee has completed the review.
3. Please admit.

Resolution

Extemporary motions

Adjournment

2022 Business Report

With the upgrading of environmental protection laws and regulations, the environmental protection industry is a stable growing industry both at home and abroad. In the engineering contracting business, the Company has completed 3 projects, including the Total Package Engineering for the Yongkang Water Resources Recycling Center Recharge and Reuse Promotion Project in Tainan City in 2022, and has won the bid for the Sewage Treatment Plant Project for the Expansion of the Hsinchu Science Park (Bao-Shan Site) in the Second Phase. As of the end of 2022, there are 9 domestic public engineering projects being implemented according to the contract. The new and old engineering projects are continuing to connect smoothly. In the operation and maintenance business, 5 projects, including the Commissioned Operation and Maintenance of the Turtle Mountain Water Resources Recycling Center in Taoyuan City (including the Upstream Riprap Facility and Water Wall Riprap Facility), were completed and all 3 projects, including the Changhua County Erlin Sewage Treatment Plant Operation and Maintenance Tender, for the new year's contract ending this year were bid for. In addition, the Commissioned Operation and Maintenance of the New Construction Project of the Yongkang Water Resources Recycling Center and Reclaimed Water Plant has entered the operational period, and 19 operational and maintenance cases are being executed, and sewage treatment operation and maintenance business is continuing to be carried out steadily.

In the part of the circular economy industry, in the soil pollution control business, the implementation of the "Gao Nan Section 430 and other land underground environmental pollution improvement project" contracted in 2019 was completed in 2022. In the field of waste treatment energy, the bottom ash treatment business continued to contribute steadily to the Company's income in 2022. In addition, the operation of the Tai-Chung Fa-Pu District Kitchen Waste Treatment Plant is also continuing steadily.

In 2022, due to the continued impact of the epidemic on the overall economic environment, such as shortage of on-site construction manpower and increased costs of raw materials, the cost of project implementation has increased sharply and the schedule cannot be controlled smoothly, resulting in losses. The Company has done its best to develop countermeasures to minimize the impact on its operations. In the future, the evaluation of expanding water treatment projects and operating business, as well as developing new business projects, will be more cautious in order to achieve the desired revenue and profit effects in diversified development. The cumulative net consolidated revenue for the year 2022 was NT\$ 3,922,895 thousand, a decrease of NT\$ 39,518 thousand compared with NT\$ 3,962,413 thousand in 2021. The loss after-tax attributable to the parent company

was NT\$273,003 thousand, a decrease of NT\$ 468,876 thousand from the earning 195,873 thousand in 2021. EPS is NT\$ -1.89, and the net value per share was NT\$ 36.75.

This year, the Company will continue to monitor the domestic and foreign water service market business. In addition to the continuous execution of continuing engineering projects and operation and maintenance projects, according to the needs of the domestic environmental protection industry market, in addition to continuous assessment and bidding for existing water treatment, pollution soil treatment and environmental circulation economy projects, in order to stabilize the Company's cost and increase profit ability, Adjustment of the Company's business development, increase the professionalism and talents of the Company in all aspects, strive to expand the scope of the Company's business, and increase the Company's profits as the maximum goal; for overseas investment and development, due to the impact of the epidemic in recent years, the global economy and political turmoil, after evaluation, the overall overseas layout is slowing down, but still maintain some Southeast Asia projects Track and evaluation, in order to find stable profit-making projects, also strive to create new businesses such as seawater desalination technology, kitchen waste recycling, waste treatment and biomass energy, intelligent water plant, intelligent pipeline management scheme and high concentration waste liquid treatment technology, in order to increase business revenue and profit sources.

The Company's future business direction is to effectively grasp the development of government environmental protection policies and market demands, maintain the existing advantages and stable development of the Taiwan market, and plan medium and long-term development strategies to stabilize and expand domestic and foreign business opportunities, so that the Company can become an all-round and transnational environmental engineering company to pave the way for the Company's sustainable development.

To long-term support and encouragement of all shareholders, I would like to express my sincere tribute and gratitude. All colleagues of Rich Development do their best and continue to work hard to create the maximum profit for shareholders as the goal and strive for the stable growth of the Company and continuous innovation and progress. We shall generate better results for shareholders in return. Thank you to all shareholders for your continuous support and care for the Company. Thank you all!

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen

2022 audit committees' report

The individual financial statements and consolidated financial statements of the Company for the year 2022 submitted by the Board of Directors, and the audits completed by CPA Chang, Shu-Ying and CPA Pan, Jun-Ming from KPMG. After the Audit Committee has completed the review and found that there is no discrepancy, it shall be submitted for inspection in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. We hereby submit the report.

Hereto

2023 Annual General Shareholders' Meeting

Forest Water Environmental Engineering Co., Ltd.
Convener of the Audit Committee: Liu,Rong-Hui

Date: March 15, 2023

To: Board of directors of FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.:

Opinion

We have audited the accompanying financial statements of FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant 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 Group's consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the 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 for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

I. Recognition of profit or loss of construction contracts and the losses arising from onerous contracts

Please refer to Note 4.15 Revenue recognition to the consolidated financial statements for the accounting policies for the recognition of construction revenue. Please refer to Note 5 for the uncertainty arising from assumptions and estimates that the recognition of revenue from construction contracts involve. Please refer to Note 6.16 for the relevant disclosure about revenue from contracts.

Explanations of the key audit matter:

The Group is primarily engaged in construction contracts with customers. These kinds of construction contracts account for a significant portion of operating revenue. As the recognition of these kinds of construction contracts involves significant estimates and judgment, e.g. the total costs of construction contracts, percentage of completion, consideration of the increase in costs less construction revenue, and the recognition of losses arising from onerous contracts, etc. Management's subject judgments may result in changes in various estimates, and affect the profit or loss and revenue recognized in the Group's financial statements. Therefore, recognition of profit or loss of construction contracts and the losses arising from onerous contracts is identified

as one of the key audit matters in auditing the consolidated financial statements.

Audit procedures in response:

The primary audit procedures to the aforementioned key audit matter include testing the effectiveness of internal control's operation to time point and correctness of recognition of construction revenue and costs, sampling from and check significant contracts, and interviewing the management, to obtain an understanding about the specific terms and risks of each contract; testing the rationality of management's estimates to the total contract costs, percentage of completion of contracts, and the profit margin of contracts; testing the procedures of construction estimation and valuation, and verifying and reconciling with the general ledger, to evaluation whether the recognition of construction revenue and costs is in accordance with the regulation of accounting standards; in addition, acquiring relevant documents about management's evaluation about onerous contracts, to verify whether the records recognized reflect the expected losses from contracts.

II. Evaluation of impairment of assets

Please refer to Note 4.13 Impairment of non-financial assets to the consolidated financial statements for the accounting policies for the recognition. Please refer to Note 5.2 for the uncertainty arising from assumptions and estimates of the evaluation of impairment of property, plant and equipment and intangible assets. Please refer to Note 6.6 Property, plant and equipment and Note 6.7 Intangible assets for details.

Explanations of the key audit matter:

The carrying amounts of property, plant and equipment and intangible assets account for about 18% of total assets as of December 31, 2022, and the significant components of them are the primary operating assets and the public-to-private service concession arrangement signed with the government agency. As part of the operation of subsidiaries is affected by the industrial environment in 2022, it is not as profitable as expected, there is doubt about whether the carrying amounts of operating assets and concession exceed the recoverable amounts. The management of the Group shall estimate the recoverable amounts of the aforementioned assets in accordance with IAS 36 "Impairment of Assets." As the estimates of recoverable amount involve management's subject judgment and is with high uncertainty, there is risk of overestimation of the carrying amount of property, plant and equipment and concession. Therefore, the impairment of aforementioned assets is identified as one of the key audit matters in auditing the consolidated financial statements.

Audit procedures in response:

Acquiring the module and relevant assumptions for the management to evaluate impairment, evaluating whether the management fully identified individual cash-generating unit that may impaired, considering whether all the assets required to implementing impairment test have been included in the evaluation procedures. Reviewing the relevant documents of individual financial assumptions and recoverable amounts used by the management, and verifying the rationality of management's assumptions and correctness of calculations based on the relevant data available. And checking whether the disclosures about the impairment of aforementioned assets are appropriate.

Other Matter

We have also audited the parent company only financial statements of FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified 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 International Financial Reporting Standards (IFRS), International

Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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, 2022 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.

KPMG Taiwan

CPA: Chang, Shu-Ying and Pan, Chun-Ming

Reference Number of the FSC Approval letter:

No. Financial Supervisory Commission VI 0940100754

No. Financial Supervisory Commission Auditing 1110333933

March 15, 2023

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: thousand NTD

Aassets		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Assets:					
1100	Cash and cash equivalents (Note 6.1)	\$ 1,362,598	9	2,134,803	14
1110	Current financial assets at fair value through profit or loss (Note 6.2)	312,725	2	218,389	1
1141	Current contract assets (Note 6.16)	1,021,274	7	608,754	4
1151	Notes receivables (Note 6.4 and 6.16)	4,888	-	11,936	-
1172	Accounts receivables (Note 6.4, 6.8, 6.16, 8 and 9)	1,468,080	10	1,086,504	8
1220	Current tax assets	12,564	-	45	-
1410	Prepayments(Note 7)	168,036	1	306,082	2
1476	Other current financial assets(Note 6.19 and 8)	623,262	4	541,333	3
1479	Other current assets — others	76,366	-	62,558	-
1482	Current costs of fulfilling contracts	<u>2,306</u>	<u>-</u>	<u>677</u>	<u>-</u>
		<u>5,052,099</u>	<u>33</u>	<u>4,971,081</u>	<u>32</u>
Non-current Assets:					
1517	Non-current financial assets at fair value through other comprehensive income (Note 6.3)	99,465	1	129,990	1
1551	Investments accounted for using equity method	116,775	1	120,102	1
1600	Property, plant, and equipment (Note 6.6 and 8)	627,325	4	617,637	4
1755	Right-of-use assets	29,203	-	30,986	-
1780	Intangible assets (Note 6.7 and 8)	2,293,769	14	2,435,618	15
1840	Deferred tax assets (Note 6.13)	98,883	1	26,055	-
1932	Long-term receivables(Note 6.8 and 8)	6,979,704	45	7,170,412	46
1980	Other non-current financial assets(Note 8)	<u>83,365</u>	<u>1</u>	<u>111,483</u>	<u>1</u>
		<u>10,328,489</u>	<u>67</u>	<u>10,642,283</u>	<u>68</u>
Total assets		<u>\$ 15,380,588</u>	<u>100</u>	<u>15,613,364</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries

Consolidated Balance Sheets (Cont.)

December 31, 2022 and 2021

Unit: thousand NTD

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Liabilities and Equity					
Current Liabilities:					
2102	Bank loans (Note 6.10)	\$ 1,610,000	11	1,490,721	10
2111	Short-term notes payables (Note 6.9)	1,146,000	7	695,000	5
2130	Current contract liabilities (Note 6.16)	120,877	1	214,846	1
2150	Notes payables (Note 7)	327,576	2	160,736	1
2170	Accounts payables (Note 7)	880,561	6	763,809	6
2200	Other payables (Note 6.6, 6.17 and 7)	197,740	1	214,936	1
2230	Current tax liabilities (Note 6.13)	24,239	-	77,296	-
2250	Current provisions	277,628	2	74,006	-
2280	Current lease liabilities (Note 7)	7,865	-	6,215	-
2322	Current portion of long-term borrowings (Note 6.11)	310,721	2	265,951	2
2321	Current portion of corporate bonds payables with put options (Note 6.12)	-	-	500,000	3
2399	Other current liabilities — others	14,845	-	6,664	-
		<u>4,918,052</u>	<u>32</u>	<u>4,470,180</u>	<u>29</u>
Non-current Liabilities:					
2500	Non-current financial liabilities at fair value through profit or loss (Note 6.2 and 6.12)	16,200	-	3,800	-
2530	Corporate bonds payables (Note 6.12)	948,919	6	935,744	6
2540	Long-term borrowings (Note 6.11)	1,799,221	12	2,098,051	14
2550	Non-current provisions	66,005	-	63,354	-
2573	Deferred tax liabilities — others (Note 6.13)	523,881	4	491,623	3
2580	Non-current lease liabilities (Note 7)	23,063	-	25,999	-
2612	Long-term payables	61,220	-	68,207	-
2645	Guaranteed deposits received	81,007	1	95,750	1
		<u>3,519,516</u>	<u>23</u>	<u>3,782,528</u>	<u>24</u>
Total liabilities		<u>8,437,568</u>	<u>55</u>	<u>8,252,708</u>	<u>53</u>
Equity attributable to the owners of the parent (Note 6.12 and 6.14):					
3110	Ordinary shares	1,442,492	9	1,442,492	9
3200	Capital surplus	3,819,082	25	3,819,082	24
3310	Legal reserve	278,699	2	259,111	2
3320	Special reserve	59,185	-	-	-
3350	Retained earnings	(210,086)	(1)	264,302	2
3400	Other equity	(88,453)	(1)	(59,185)	-
Subtotal of equity attributable to the owner of the parent		5,300,919	34	5,725,802	37
36xx	Non-controlling interests (Note 6.5)	<u>1,642,101</u>	<u>11</u>	<u>1,634,854</u>	<u>10</u>
Total equity		<u>6,943,020</u>	<u>45</u>	<u>7,360,656</u>	<u>47</u>
Total liabilities and equity		<u>\$ 15,380,588</u>	<u>100</u>	<u>15,613,364</u>	<u>100</u>

Chairman: Kuo, Su-Jen CEO: Wu, Jen-Chieh Accounting Officer: Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 6.16 and 9)	\$ 3,922,895	100	3,962,413	100
5000	Operating costs (Note 6.7 and 7)	3,656,365	93	3,066,749	77
	Gross operating profit	266,530	7	895,664	23
6100	Operating expenses (Note 6.7, 6.17 and 7):				
6200	Administrative expenses	226,849	6	207,858	5
6300	Research and development expenses	483	-	979	-
	Total operating expenses	227,332	6	208,837	5
	Net operating income	39,198	1	686,827	18
	Non-operating income and expenses (Note 6.6, 6.7, 6.8, 6.12, 6.18 and 7):				
7100	Interest revenue	3,984	-	110,399	3
7020	Other gains and losses	(25,618)	(1)	(155,420)	(4)
7050	Financial costs	(144,093)	(3)	(142,203)	(4)
7370	Share of profit or loss of associates and joint ventures accounted for using equity method	(4,781)	-	13,761	-
	Total non-operating income and expenses	(170,508)	(4)	(173,463)	(5)
	Profit (loss) from continuing operations	(131,310)	(3)	513,364	13
7950	Less: income tax expenses (Note 6.13)	37,571	1	175,780	4
	Profit (loss)	(168,881)	(4)	337,584	9
8300	Other comprehensive income:				
8310	Items not to be reclassified into profit or loss				
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	(30,525)	(1)	(79,146)	(2)
	Total items not to be reclassified into profit or loss	(30,525)	(1)	(79,146)	(2)
8360	Items that may be subsequently reclassified into profit or loss				
8361	Exchange differences on translation of foreign financial statements	64	-	(55)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method — items that may be subsequently reclassified into profit or loss	1,454	-	7,608	-
	Total items that may be subsequently reclassified into profit or loss	1,518	-	7,553	-
8300	Other comprehensive income (net of tax)	(29,007)	(1)	(71,593)	(2)
	Total comprehensive income	<u>\$ (197,888)</u>	<u>(5)</u>	<u>265,991</u>	<u>7</u>
	Profit (loss) attributable to:				
8610	Owners of the parent	\$ (273,003)	(7)	195,873	5
8620	Non-controlling interests (Note 6.5)	104,122	3	141,711	4
	Total comprehensive income attributable to:	<u>\$ (168,881)</u>	<u>(4)</u>	<u>337,584</u>	<u>9</u>
8710	Owners of the parent	\$ (302,271)	(8)	123,911	3
8720	Non-controlling interests (Note 6.5)	104,383	3	142,080	4
	Total comprehensive income attributable to:	<u>\$ (197,888)</u>	<u>(5)</u>	<u>265,991</u>	<u>7</u>
9750	Basic earnings (losses) per share (NT\$)(Note 6.15)	<u>\$ (1.89)</u>		<u>1.36</u>	
9850	Diluted earnings (losses) per share (NT\$) (Note 6.15)	<u>\$ (1.89)</u>		<u>1.30</u>	

Chairman: Kuo, Su-Jen CEO: Wu, Jen-Chieh Accounting Officer: Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries

**Consolidated Statemets of Changes in Equity
For the Years Ended December 31, 2022 and 2021**

Unit: thousand NTD

	Total equity attributable to owners of the parent									
	Retained earnings					Other equity		Total equity attributable to owners of the parent	Non-controlli ng interests	Total equity
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income			
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriat ed earnings						
Balance as of January 1, 2021	\$ 1,348,123	3,746,106	243,614	87,712	225,395	(10,330)	23,107	5,663,727	1,553,282	7,217,009
Profit for the period	-	-	-	-	195,873	-	-	195,873	141,711	337,584
Other comprehensive income for the period	-	-	-	-	-	7,581	(79,543)	(71,962)	369	(71,593)
Total comprehensive income for the period	-	-	-	-	195,873	7,581	(79,543)	123,911	142,080	265,991
Appropriation and distribution of earnings:										
Appropriation of legal reserve	-	-	15,497	-	(15,497)	-	-	-	-	-
Reversal of special reserve	-	-	-	(87,712)	87,712	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(134,812)	-	-	(134,812)	(83,008)	(217,820)
Stock dividends of ordinary shares	94,369	-	-	-	(94,369)	-	-	-	-	-
Equity component recognized for issuance of convertible bonds -incurred by stock options	-	72,976	-	-	-	-	-	72,976	-	72,976
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	22,500	22,500
Balance as of December 31, 2021	1,442,492	3,819,082	259,111	-	264,302	(2,749)	(56,436)	5,725,802	1,634,854	7,360,656
Losses for the period	-	-	-	-	(273,003)	-	-	(273,003)	104,122	(168,881)
Other comprehensive income for the period	-	-	-	-	-	1,485	(30,753)	(29,268)	261	(29,007)
Total comprehensive income for the period	-	-	-	-	(273,003)	1,485	(30,753)	(302,271)	104,383	(197,888)
Appropriation and distribution of earnings:										
Appropriation of legal reserve	-	-	19,588	-	(19,588)	-	-	-	-	-
Appropriation of special reserve	-	-	-	59,185	(59,185)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(122,612)	-	-	(122,612)	(112,136)	(234,748)
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000
Balance as of December 31, 2022	\$ 1,442,492	3,819,082	278,699	59,185	(210,086)	(1,264)	(87,189)	5,300,919	1,642,101	6,943,020

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit (loss) before tax	\$ (131,310)	513,364
Adjustments:		
Items of income and expenses		
Depreciation expenses	40,222	47,276
Amortization expenses	153,299	145,399
Net losses from financial assets and liabilities at fair value through profit or loss	9,373	1,228
Interest expenses	125,078	122,727
Interest revenue	(3,984)	(110,399)
Share of losses (profits) of associates and joint ventures accounted for using equity method	4,781	(13,761)
Losses from disposals and scraps of property, plant and equipment	1,309	151
Impairment losses	22,000	157,498
Replacement cost	9,585	10,277
Losses from termination of leases	323	-
Appropriation of provisions	200,175	42,090
Total items of income and expense	<u>562,161</u>	<u>402,486</u>
Changes in operating assets/liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(91,309)	(188,565)
Contract assets	(444,510)	376,764
Notes receivables	7,048	(7,470)
Accounts receivables	(333,903)	247,028
Inventories	-	210
Prepayments	138,046	(255,421)
Other current assets	(13,808)	7,789
Other financial assets	(70,075)	(35,553)
Costs of fulfilling contracts	(1,629)	10,637
Long-term receivables	143,035	111,540
Contract liabilities	(93,969)	(425,022)
Notes payables	166,840	(156,599)
Accounts payables	116,744	(239,442)
Other payables	(16,689)	(48,695)
Provisions	(5,323)	(1,603)
Other current liabilities	8,181	4,259
Long-term payables	<u>(6,987)</u>	<u>(7,221)</u>
Total adjustments	<u>63,853</u>	<u>(204,878)</u>
Cash inflow (outflow) generated from operations	(67,457)	308,486
Interests received	3,793	15,903
Interest paid	(111,010)	(106,502)
Income taxes paid	<u>(143,717)</u>	<u>(121,531)</u>
Net cash inflow (outflow) provided by operating activities	<u>(318,391)</u>	<u>96,356</u>

(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows (Cont.)

For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(11,240)
Acquisition of property, plant and equipment	(44,126)	(22,106)
Disposal of property, plant and equipment	425	383
Acquisition of intangible assets	(1,022)	(2,207)
Other financial assets	(11,760)	237,091
Other non-current financial assets	28,216	(34,917)
Net cash inflow (outflow) provided by investing activities	<u>(28,267)</u>	<u>167,004</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	119,279	(129,847)
Increase (decrease) in short-term notes payables	451,000	(111,000)
Issuance of corporate bonds	-	1,013,576
Repayment of corporate bonds	(500,000)	-
Increase in long-term borrowings	59,236	56,700
Repayment of long-term borrowings	(313,296)	(492,152)
Decrease in guaranteed deposits received	(14,743)	(2,104)
Repayment of lease principal	(7,344)	(6,088)
Cash dividends distribution	(234,748)	(217,820)
Changes in non-controlling interests	15,000	22,500
Net cash inflow (outflow) provided by financing activities	<u>(425,616)</u>	<u>133,765</u>
Effect of movements in exchange on cash and cash equivalents	69	(59)
Net increase (decrease) in cash and cash equivalents	(772,205)	397,066
Cash and cash equivalents at the beginning of period	2,134,803	1,737,737
Cash and cash equivalents at the end of period	<u><u>\$ 1,362,598</u></u>	<u><u>2,134,803</u></u>

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

Independent Auditors' Report

To: Board of directors of FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.:

Opinion

We have audited the accompanying financial statements of FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers..

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant 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 Company's parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the 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 for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

- I. Recognition of profit or loss of construction contracts and the losses arising from onerous contracts

Please refer to Note 4.14 Revenue recognition to the parent company only financial statements for the accounting policies for the recognition of construction revenue. Please refer to Note 5 for the uncertainty arising from assumptions and estimates that the recognition of revenue from construction contracts involve. Please refer to Note 6.14 for the relevant disclosure about revenue from contracts.

Explanations of the key audit matter:

The Company is primarily engaged in construction contracts with customers. These kinds of construction contracts account for a significant portion of operating revenue. As the recognition of these kinds of construction contracts involves significant estimates and judgment, e.g. the total costs of construction contracts, percentage of completion, consideration of the increase in costs less construction revenue, and the recognition of losses arising from onerous contracts, etc. Management's subject judgments may result in changes in various estimates, and affect the profit or loss and revenue recognized in the Company's financial statements. Therefore, recognition of profit or loss of construction contracts and the losses arising from onerous contracts is identified as one of the key audit matters in auditing the parent company only financial statements.

Audit procedures in response:

The primary audit procedures to the aforementioned key audit matter include testing the effectiveness of internal control's operation to time point and correctness of recognition of construction revenue and costs, sampling from and check significant contracts, and interviewing the management, to obtain an understanding about the specific terms and risks of each contract; testing the rationality of management's estimates to the total contract costs, percentage of completion of contracts, and the profit margin of contracts; testing the procedures of construction estimation and valuation, and verifying and reconciling with the general ledger, to evaluation whether the recognition of construction revenue and costs is in accordance with the regulation of accounting standards; in addition, acquiring relevant documents about management's evaluation about onerous contracts, to verify whether the records recognized reflect the expected losses from contracts.

Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements for the year ended December 31, 2022 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.

KPMG Taiwan

CPA: Chang, Shu-Ying and Pan, Chun-Ming

Reference Number of the FSC Approval letter:

No. Financial Supervisory Commission VI 0940100754

No. Financial Supervisory Commission Auditing 1110333933

March 15, 2023

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: thousand NTD

		<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Aassets					
Current Assets:					
1100	Cash and cash equivalents (Note 6.1)	\$ 941,516	9	1,465,549	14
1140	Current contract assets (Note 6.14 and 7)	920,219	9	598,228	6
1150	Notes receivables , net (Note 6.3, 6.14, and 7)	13,951	-	19,664	-
1172	Accounts receivables (Note 6.3, 6.14, 7 and 9)	917,351	9	717,006	7
1220	Current tax assets	165	-	45	-
1421	Prepayments(Note 7)	161,668	1	297,419	3
1476	Other current financial assets(Note 7 and 8)	457,743	4	373,241	3
1479	Other current assets — others	<u>30,102</u>	<u>-</u>	<u>16,565</u>	<u>-</u>
		<u>3,442,715</u>	<u>32</u>	<u>3,487,717</u>	<u>33</u>
Non-current Assets:					
1551	Investments accounted for using equity method (Note 6.4)	6,752,083	63	6,728,019	63
1600	Property, plant, and equipment (Note 6.5 and 8)	379,478	4	361,001	4
1755	Right-of-use assets (Note 7)	9,605	-	9,581	-
1840	Deferred tax assets (Note 11)	79,880	1	12,160	-
1920	Refundable deposits	<u>11,097</u>	<u>-</u>	<u>10,985</u>	<u>-</u>
		<u>7,232,143</u>	<u>68</u>	<u>7,121,746</u>	<u>67</u>
Total assets		<u>\$ 10,674,858</u>	<u>100</u>	<u>10,609,463</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Parent Company Only Balance Sheets (Cont.)

December 31, 2022 and 2021

Unit: thousand NTD

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Liabilities and Equity					
Current Liabilities:					
2102	Bank loans (Note 6.7)	\$ 1,530,000	14	1,398,721	13
2111	Short-term notes payables (Note 6.6)	1,136,000	11	695,000	6
2130	Current contract liabilities (Note 6.14)	121,472	1	200,917	2
2151	Notes payables (Note 7)	291,530	3	139,895	1
2170	Accounts payables (Note 7)	768,361	7	583,791	6
2219	Other payables—others(Note 6.5, 6.15 and 7)	152,357	1	160,985	2
2250	Current provisions	277,628	3	74,006	1
2280	Current lease liabilities (Note 7)	5,403	-	4,071	-
2321	Current portion of long-term borrowings(Note 6.9)	-	-	500,000	5
2322	Current portion of corporate bonds payables with put options (Note 6.8)	39,990	-	53,320	1
2399	Other current liabilities—others	14,424	-	6,132	-
		<u>4,337,165</u>	<u>40</u>	<u>3,816,838</u>	<u>37</u>
Non-current Liabilities:					
2500	Non-current financial liabilities at fair value through profit or loss (Note 6.2 and 6.9)	16,200	-	3,800	-
2530	Corporate bonds payables (Note 6.9)	948,919	9	935,744	9
2540	Long-term borrowings (Note 6.8)	-	-	39,990	-
2580	Non-current lease liabilities(Note 7)	4,665	-	5,555	-
2645	Guaranteed deposits received	66,990	1	81,734	1
		<u>1,036,774</u>	<u>10</u>	<u>1,066,823</u>	<u>10</u>
	Total liabilities	<u>5,373,939</u>	<u>50</u>	<u>4,883,661</u>	<u>47</u>
Equity (Note 6.9 and 6.12):					
3110	Ordinary shares	1,442,492	14	1,442,492	14
3200	Capital surplus	3,819,082	36	3,819,082	36
3310	Legal reserve	278,699	3	259,111	2
3320	Special reserve	59,185	-	-	-
3350	Retained earnings	(210,086)	(2)	264,302	2
3400	Other equity	(88,453)	(1)	(59,185)	(1)
	Total equity	<u>5,300,919</u>	<u>50</u>	<u>5,725,802</u>	<u>53</u>
	Total liabilities and equity	<u>\$ 10,674,858</u>	<u>100</u>	<u>10,609,463</u>	<u>100</u>

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue , net (Note 6.14 and 7)	\$ 2,609,244	100	2,328,736	100
5000	Operating costs (Note 6.10 and 7)	3,051,863	117	2,337,563	100
	Gross operating loss	(442,619)	(17)	(8,827)	-
6000	Operating expenses (Note 6.10, 6.15 and 7):				
6200	Administrative expenses	134,495	5	121,400	5
6300	Research and development expenses	483	-	979	-
		134,978	5	122,379	5
	Net operating income	(577,597)	(22)	(131,206)	(5)
	Non-operating income and expenses:				
7100	Interest revenue	1,928	-	15,356	1
7020	Other gains and losses (Note 6.4, 6.9 and 6.16)	(13,467)	(1)	(6,802)	-
7050	Financial costs (Note 6.9, 6.16 and 7)	(63,263)	(2)	(58,748)	(3)
7370	Share of profit or loss of associates and joint ventures accounted for using equity method (Note 13)	311,671	12	368,881	16
	Total non-operating income and expenses	236,869	9	318,687	14
		(340,728)	(13)	187,481	9
7950	Less:income tax benefits (Note 6.11)	(67,725)	(3)	(8,392)	-
	Profit (loss)	(273,003)	(10)	195,873	9
8300	Other comprehensive income:				
8310	Items not to be reclassified into profit or loss				
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method	(30,753)	(1)	(79,543)	(3)
8349	Less:income tax related to items of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(30,753)	(1)	(79,543)	(3)
8360	Items that may be subsequently reclassified into profit or loss				
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method	1,485	-	7,581	-
8399	Less:income tax related to items of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
	Total items that may be subsequently reclassified into profit or loss	1,485	-	7,581	-
8300	Other comprehensive income	(29,268)	(1)	(71,962)	(3)
	Total comprehensive income	<u>\$ (302,271)</u>	<u>(11)</u>	<u>123,911</u>	<u>6</u>
	Profit (loss) per share (Note 6.13)				
9750	Basic earnings (losses) per share (NT\$)	<u>\$ (1.89)</u>		<u>1.36</u>	
9850	Diluted earnings (losses) per share (NT\$)	<u>\$ (1.89)</u>		<u>1.30</u>	

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Parent Company Only Statemets of Changes in Equity

For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

	Share capital		Retained earnings			Other equity		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	Total equity
Balance as of January 1, 2021	\$ 1,348,123	3,746,106	243,614	87,712	225,395	(10,330)	23,107	5,663,727
Profit for the period	-	-	-	-	195,873	-	-	195,873
Other comprehensive income for the period	-	-	-	-	-	7,581	(79,543)	(71,962)
Total comprehensive income for the period	-	-	-	-	195,873	7,581	(79,543)	123,911
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	15,497	-	(15,497)	-	-	-
Reversal of special reserve	-	-	-	(87,712)	87,712	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(134,812)	-	-	(134,812)
Stock dividends of ordinary shares	94,369	-	-	-	(94,369)	-	-	-
Equity component recognized for issuance of convertible bonds incurred by stock options	-	72,976	-	-	-	-	-	72,976
Balance as of December 31, 2021	1,442,492	3,819,082	259,111	-	264,302	(2,749)	(56,436)	5,725,802
Losses for the period	-	-	-	-	(273,003)	-	-	(273,003)
Other comprehensive income for the period	-	-	-	-	-	1,485	(30,753)	(29,268)
Total comprehensive income for the period	-	-	-	-	(273,003)	1,485	(30,753)	(302,271)
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	19,588	-	(19,588)	-	-	-
Appropriation of special reserve	-	-	-	59,185	(59,185)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(122,612)	-	-	(122,612)
Balance as of December 31, 2022	\$ 1,442,492	3,819,082	278,699	59,185	(210,086)	(1,264)	(87,189)	5,300,919

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.

Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

Unit: thousand NTD

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit (loss) before tax	\$ (340,728)	187,481
Adjustments:		
Items of income and expenses		
Depreciation expenses	15,529	12,518
Amortization expenses	-	102
Net losses from financial assets and liabilities at fair value through profit or loss	12,400	1,000
Interest expenses	55,718	51,936
Interest revenue	(1,928)	(15,356)
Share of losses (profits) of associates and joint ventures accounted for using equity method	(311,671)	(368,881)
Losses from disposals and scraps of property, plant and equipment	115	257
Impairment losses of non-financial assets	-	9,033
Losses from modification of lease contracts	324	-
Appropriation of provisions	200,175	42,090
Total items of income and expense	<u>(29,338)</u>	<u>(267,301)</u>
Changes in operating assets/liabilities:		
Contract assets	(321,991)	537,381
Notes receivables	5,713	(19,664)
Accounts receivables	(200,345)	108,452
Prepayments	135,751	(256,743)
Other current assets	(13,537)	(4,956)
Other financial assets	(74,002)	(86,651)
Contract liabilities	(79,445)	(303,699)
Notes payables	151,635	(154,203)
Accounts payables	184,570	(260,390)
Other payables	(7,718)	(49,629)
Provisions	3,447	4,070
Other current liabilities	8,292	4,180
Total adjustments	<u>(236,968)</u>	<u>(749,153)</u>
Cash inflow (outflow) generated from operations	(577,696)	(561,672)
Interests received	1,834	15,409
Interest paid	(43,453)	(37,083)
Income taxes paid	<u>(115)</u>	<u>(2,629)</u>
Net cash inflow (outflow) provided by operating activities	<u>(619,430)</u>	<u>(585,975)</u>

(English Translation of Financial Statements Originally Issued in Chinese)

FOREST WATER ENVIRONMENTAL ENGINEERING CO., LTD.**Parent Company Only Statements of Cash Flows (Cont.)****For the Years Ended December 31, 2022 and 2021****Unit: thousand NTD**

	2022	2021
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	(35,000)	(82,500)
Acquisition of property, plant and equipment	(28,992)	(13,256)
Disposal of property, plant and equipment	30	-
Refundable deposits	(112)	(6,309)
Dividends received	293,339	239,399
Other financial assets	(10,406)	185,691
Net cash inflow (outflow) provided by investing activities	218,859	323,025
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	131,279	(161,847)
Increase (decrease) in short-term notes payables	441,000	(111,000)
Issuance of corporate bonds	-	1,013,576
Repayment of corporate bonds	(500,000)	-
Repayment of long-term borrowings	(53,320)	(26,690)
Decrease in guaranteed deposits received	(14,744)	(6,604)
Repayment of lease principal	(5,065)	(3,951)
Cash dividends distribution	(122,612)	(134,812)
Net cash inflow (outflow) provided by financing activities	(123,462)	568,672
Net increase (decrease) in cash and cash equivalents	(524,033)	305,722
Cash and cash equivalents at the beginning of period	1,465,549	1,159,827
Cash and cash equivalents at the end of period	\$ 941,516	1,465,549

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen
(English Translation of Financial Statements Originally Issued in Chinese)

2022 deficit compensation plan

Unit : NT\$

Item	Amount		Note
	Subtotal	Total	
Unappropriated Earnings, beginning		62,918,134	
Less : Current net loss after tax	(273,002,609)		
Losses to be made up this year		(210,084,475)	
Make up Items :			
Add : Legal Reserve made up		210,084,475	
Unappropriated Earnings, ending		0	

Chairman:Kuo,Su-Jen CEO:Wu,Jen-Chieh Accounting Officer:Yang, Hsin-Wen

Appendice 1

Articles of Incorporation

Chapter One General Provisions

Article 1

This company is organized and established under the provisions of Company Limited by Shares of the R.O.C Company Act, and is named is 山林水環境工程股份有限公司, with the English business name of “FOREST WATER ENVIRONMENTAL ENG'G CO., LTD.”.

Article 2

The Company's scope of business is as follows:

- 1.E103101 Environmental protection works Specialized Construction Enterprises
- 2.E502010 Fuel Catheter Installation Engineering
- 3.E599010 Piping Engineering
- 4.F107080 Wholesale of Environmental Agents
- 5.F107170 Wholesale of Industrial Catalyst
- 6.F113010 Wholesale of Machinery
- 7.F113020 Wholesale of Household Appliance
- 8.F113030 Wholesale of Precision Instruments
- 9.F113100 Wholesale of Pollution Controlling Equipment's
- 10.F401010 International Trade
- 11.J101030 Waste Disposing
- 12.J101040 Waste Treatment
- 13.J101050 Environmental Testing Services
- 14.J101060 Wastewater (Sewage) Treatment
- 15.C802170 Toxic and Concerned Chemical Substances Manufacturing
- 16.CB01010 Mechanical Equipment Manufacturing
- 17.CB01030 Pollution Controlling Equipment Manufacturing
- 18.E103071 Underground Pipeline Works Specialized Construction Enterprises
- 19.E501011 Tap Water Pipelines Contractors
- 20.E503011 Sewerage User Drainage Equipment Contractors
- 21.E601010 Electric Appliance Construction
- 22.E601020 Electric Appliance Installation
- 23.E603050 Automatic Control Equipment Engineering
- 24.E603080 Traffic Signs Installation Engineering
- 25.E603090 Illumination Equipment's Construction
- 26.E604010 Machinery Installation Construction
- 27.E605010 Computer Equipment Installation
- 28.EZ05010 Instrument and Meters Installation Engineering

29.EZ06010 Traffic Marking Engineering
30.F118010 Wholesale of Computer Software
31.F213040 Retail Sale of Precision Instruments
32.F218010 Retail Sale of Computer Software
33.J101990 Other Environmental Sanitation and Pollution Prevention Service
34.E701010 Telecommunications Engineering
35.D601011 Reclaimed Water Operators
36.IG02010 Research and Development Service
37.I101061 Professional Engineering Consulting
38.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1

The Company may provide endorsements and guarantees with the approval of the Board of Directors.

Article 3

The Company is headquartered in Taipei, Taiwan and when necessary, may establish branches or subsidiaries at home and abroad according to resolutions by the Board of Directors.

Article 4

The Company's announcement method is handled in accordance with the Company Act and other relevant laws and regulations.

Chapter Two Shares

Article 5

The authorized capital of the Company is NT\$2 billion, consisting of 200 million shares, all of common stock, with a par value of NT\$10 per share. The Board of Directors is also authorized to issue shares in separate installments as required.

Article 6

The Company may issue employee stock options, issue restricted employee rights for new shares, issue new shares for employees to purchase or buy back shares in accordance with the law and transfer them to employees. The recipients or transferees include employees of controlling or affiliated companies who meet certain conditions.

Article 7

The shares of this company are registered shares, signed or stamped by the directors representing the Company, and issued by the issuing and certification institution approved by the competent authority. Shares issued by the Company are exempt from the printing of stock certificates, as are other negotiable securities,

but should be registered with a centralized securities depository in accordance with the regulations of that institution. Issuers of other securities such as equities shall also be subject to the same regulations.

Article 7-1

If there is any plan to withdraw the public offering of the Company's shares after the public offering, it shall be approved by a special resolution of the shareholders' meeting before it can be done, and this article shall not be changed during the listing period and the listing period.

Article 8

Changes to the record in the shareholder register shall followed by the Company Act 165.

Article 8-1

After the Company's public offering, the share transfer shall be handled according to the "Regulations on the Handling of Shares Transfer of Publicly Offered Companies" issued by the competent authorities.

Chapter Three Shareholders' Meeting

Article 9

Shareholders' meetings of the Company are of two kinds: regular shareholders' meetings and extraordinary shareholders' meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders' meetings may be called in accordance with applicable laws and regulations whenever necessary.

Article 10

If the shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy. Shareholders attend shareholders' meeting by proxy in accordance with Article 177 of the Company Act and The Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies.

Article 11

Each shareholder of the Company is entitled to one vote per share. However, the persons who are restricted or those who do not have the voting rights as listed in Article 179 of the Company Law are excluded from this limitation.

Article 12

Unless otherwise provided by applicable law or regulation, a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes

represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Article 13

When the shareholders' meeting is held after the listing (board) of this company, electronic means should be listed as one of the channels for exercising voting rights.

Shareholders who exercise voting rights electronically in this shareholders' meeting shall be considered as they attending the meeting in person. However, regarding the extemporary motions and amendment of the original motion in this shareholders' meeting, they shall be considered as waivers.

Shareholders who have exercised their voting rights in the form of electronic means and have not revoked their intention to express before the two days before the shareholders' meeting can still attend the shareholders' meeting to participate in proposals and voting on the temporary motion, but they cannot revise the original motion and cannot exercise their voting rights again.

Chapter Four Directors & Audit Committees

Article 14

The Company shall have seven to nine directors, with three-year office term. Directors are elected and appointed by the shareholders' meeting from those people with capacity, and followed the candidate nomination system of Article 192-1 of the Company Act. Candidates may continue in office if re-elected.

The Company shall have three independent directors, and the candidate nomination system is adopted by the shareholders' meeting from the list of director candidates.

For the election of directors, independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated separately.

The Company shall purchase liability insurance for the directors in accordance with the law for the scope of their business scope during their tenure of office.

The Board of Directors is authorized to handle all matters related to insurance.

Article 14-1

In compliance with Articles 14-4 of the Securities and Exchange Act, the Corporation shall establish an Audit Committee. The Audit Committee or the members of the Audit Committee shall be responsible for the implementation of the Company Act, the Securities Exchange Act, and other laws stipulate the powers of the supervisor.

Article 14-2

The convening of the Board of Directors shall specify the reasons and notify the directors seven days before. But when there is an emergency, directors can call it

at any time. The notice of the convocation of the Board of Directors can be notified in writing, fax or e-mail.

When a director takes a leave, the proxy shall hold on proxy letter and list the authorized scope of the reason for the convening.

The agent shall be entrusted by only one person.

When the Board of Directors meets, if a video conference is used, the directors who participate in the meeting by video shall be deemed to have attended the meeting in person.

Article 15

The Board of Directors consist of directors. Two-thirds or more of the directors present and more than half of the directors agree to elect one of them as chairman. For all company affairs, the chairman of the board represents the Company externally.

Article 16

When the chairman of the board takes a leave or is unable to exercise his powers for some reason, his proxy shall be handled in accordance with Article 208 of the Company Act.

Article 17

The remuneration of all directors shall be authorized by the Board of Directors to determine based nonparticipation in the Company's operations and the value of their contribution to the usual standards of the industry.

Chapter Five Manager

Article 18

The Company may appoint one Chief Executive Officer, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

Chapter Six Accounting

Article 19

After the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to Audit Committees' at least thirty days before the shareholders' meeting.

1. Business Report.
2. Financial Statements.
3. Proposal Concerning Appropriation of Net Profits or Recovering of Losses.

Article 20

Where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and

then set aside no less than 2% of the remaining profit for distribution to the employees of parents or subsidiaries of the Company as remuneration and no more than 2% of the remaining profit for distribution to directors as remuneration.

Article 20-1

If there is a profit in the annual financial report of the Company, taxes should be paid first to make up for the past losses. Ten percent of the legal profit should be set aside as statutory reserve, and then the accumulated undistributed profit from the beginning of the period should be added. After adjusting the special reserves listed or reversed according to the regulations and deducting a reasonable amount of retained earnings, the distributable earnings for the year shall be calculated. The Board of Directors shall draft a resolution on the distribution of earnings and submit it to the shareholders for resolution.

The Company will consider the environment and growth stage in which the Company is located, and respond to the future capital requirements, financial structure, earnings situation, and balanced and stable dividend policy. The capital requirement and dilution of earnings per share will be appropriately allocated in the form of stock dividends or cash dividends, of which the cash dividend shall not be less than 10% of the total amount of dividends issued, but may be adjusted by the resolution of the shareholders' meeting, as necessary.

Chapter Seven Miscellaneous

Article 21

If the Company's outward investment exceeds 40% of its paid-up capital, the Board of Directors shall be authorized to execute it

Article 22

In regard to any matters not provided in this Articles of Incorporation, they shall be in pursuance of Company Act, Securities and Exchange Act and other related laws or regulations.

Article 23

These Articles of Incorporation were enacted on June 1, 2004.

The 1st amendment was made on December 3, 2004

The 2nd amendment was made on December 25, 2006.

The 3rd amendment was made on June 18, 2008.

The 4th amendment was made on September 12, 2008.

The 5th amendment was made on October 25, 2010.

The 6th amendment was made on December 12, 2010.

The 7th amendment was made on May 25, 2011.

The 8th amendment was made on February 25, 2013.

The 9th amendment was made on October 29, 2013

The 10th amendment was made on July 15, 2014.

The 11th amendment was made on October 29,2014.
The 12th amendment was made on June 22,2015.
The 13th amendment was made on January 27,2016.
The 14th amendment was made on June 13,2016.
The 15th amendment was made on December 13,2016.
The 16th amendment was made on June 13,2017.
The 17th amendment was made on June 11,2018
The 18th amendment was made on June 13,2019

Appendices 2

The regulations for shareholders' meetings

Article 1

The Company's shareholders' meeting shall be governed by these Regulations. When the Company goes public, it should follow the relevant laws and regulations of the competent authority.

Article 2

The shareholder referred to in this rule refers to the shareholder himself/herself and the proxy and solicitation agent prescribed in the "Rules for the Appointment of Proxy for Attending Shareholders' Meetings of Listed Companies".

Article 3

Shareholders should bring the original of their identification documents or other documents recognized by the Company to the shareholders' meeting, and present the attendance card or other attendance documents to complete the procedures of the shareholders' meeting. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4

The venue for a shareholders' meeting shall be the premises of this Corporation, 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. Registration areas should be clearly marked, and there should be sufficient staff to handle shareholder attendance procedures. The time for accepting shareholder attendance procedures should be at least 30 minutes before the start of the meeting, unless there is a sudden and uncontrollable event, in which case this requirement does not apply, and other contingency measures should be taken to facilitate shareholder attendance procedures as soon as possible. The relevant personnel who need to participate in and assist in convening the shareholders' meeting, if they have shareholder status, may not be subject to the time limit announced for handling the attendance procedures.

Article 5

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 6

This Corporation 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

Regarding the process of the shareholders' meeting, the company shall record the entire meeting in audio and video, and keep it for at least one year. However, if a lawsuit is filed by a shareholder pursuant to Article 189 of the Company Act, the recording shall be kept until the conclusion of the lawsuit.

Article 8

When the meeting time has arrived and shareholders representing more than half of the issued share capital are present, the chairman declares the meeting open.

When the number of shareholders attending the shareholders' meeting is less than half of the total issued shares after two postponements and more than one-third of the total issued shares are represented, the resolution may be passed in accordance with Article 175 of the Company Law with the consent of more than half of the voting rights of the attending shareholders.

When a quorum is present at a shareholder's meeting, but a resolution is made under false pretenses, and the total number of shares represented by the attending shareholders is sufficient to represent more than half of the total number of issued shares, the chairman may resubmit the decision to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

Article 9

The agenda of shareholders' meeting convened by the Board of Directors is set by the Board of Directors. The meeting shall be conducted in accordance with the scheduled agenda and may not be changed without resolution. The shareholders' meeting convened by other conveners with calling rights may use the above provisions. Before the agenda of the first two sub-paragraphs are finalized (including the provisional motion), the chairman would not be allowed to announce the adjournment without a resolution.

If a shareholders' meeting is convened by a person other than the Board of Directors, the provisions of the preceding paragraph shall apply. If the chairperson

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 chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 10

When this Corporation holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice.

A shareholder who exercises his/her voting power at a Shareholders' Meeting in writing or by way of electronic transmission shall be deemed to have attended the said Shareholders' Meeting in person. However, in respect of the extempore and motions and amendments to the original proposals of that Meeting, the shareholder shall be deemed to have waived his/her rights.

Shareholders who exercise their voting rights electronically and have not revoked their intention before the second day of the shareholders' meeting can still attend the shareholders' meeting to participate in the proposal and voting of the ad hoc motion, but they cannot revise the original motion and cannot exercise their voting rights again.

Article 11

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

Article 12

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.

Article 13

When a legal person is entrusted to attend a shareholders' meeting, the legal person may only appoint one person to attend as agent. When a legal person shareholder appoints more than two representatives to attend the shareholders' meeting, only one person may speak for the same motion.

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.

Article 14

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

Article 15

In the discussion of the motion, when the chairman thinks that the degree of voting has been reached, he may announce that he will stop the discussion and put it to the vote.

Article 16

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting, and a record made.

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

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Article 19

When a shareholder is a stakeholder 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.

Article 20

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.

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.

Article 21

When there are amendments or alternatives to the same motion, the chairman sets the voting order in conjunction with the original case. If one of the cases has been passed, other motions will be considered vetoed and no further voting will be required.

Article 22

The chairman may command pickets (or security personnel) to help maintain order at the venue.

Article 23

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 chairman of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The recording and distribution of the minutes thereof can be done in public.

The date, place of the meeting, name of Chairman, ways of resolution, discussion, and the abstract of motions and resolution (including the numbers of votes) shall be recorded properly in the minutes. When the motions involve the election of a director, the Company shall disclose the votes of each candidate. As the Company exist, the minutes shall be kept eternally.

Article 24

For matters not covered in this Rule, they are to be mandated by the Company Act, Articles of Incorporation, and other related regulations.

Article 25

These rules will be implemented after approval by the shareholders' meeting, which applies to any amendments thereto.

These Rules were enacted on October 29, 2014.

The 1st amendment was made on June 22, 2015.

The 1st amendment was made on June 9, 2020.

Appendices 3

Shares held by the members of the board of directors

1. The Company's paid-in capital is NT\$ 1,442,491,580 and the number of issued shares is 144,249,158 shares.
2. The minimum required combined shareholdings of all directors by law are 8,654,949 shares

Book closure date: April 15, 2023

Position	Name	Shareholding
Chairman	Rich Development Co., Ltd. Representative: GUO, SHU-ZHEN	1,681,043
Director	Rich Development Co., Ltd. Representative: GUO, JI-GANG	
Director	Rich Development Co., Ltd. Representative: GUO, JI-AN	
Director	Rich Development Co., Ltd. Representative: HUANG, JIAN-YUAN	
Director	Ho Ching Enterprises Co., Ltd. Representative: LI, HAI-FENG	94,875,007
Director	Ho Ching Enterprises Co., Ltd. Representative: CAO, YAO-HONG	
Independent Director	LIU, RONG-HUI	0
Independent Director	WU, FAN-ZHI	0
Independent Director	GU, ZHEN-DONG	0
Total		96,556,050