

Stock Code:1733

Information Reporting website : [http:// mops.twse.com.tw](http://mops.twse.com.tw)

Company website : [www.apexbio.com.tw](http://www.apexbio.com.tw)



# **Handbook for the 2023 Annual Meeting of Shareholders (Translation)**

Meeting Time: May 31, 2023

Place: No. 7, Li-Hsin 5th Rd., Hsinchu Science Park, Hsinchu,  
Taiwan 30078

# Table of Contents

Meeting Procedure .....	1
Meeting Agenda .....	2
Report Items .....	3
Proposal Items .....	4
Discussion Items.....	5
Extempore Motions .....	5
Appendices .....	6
1.Business Report .....	7
2.Audit Committee’s review report .....	9
3.2022 CPA Audit Report and Annual Parent Company only and Consolidated Financial Statement.....	10
4.2022 Profit Distribution Proposal.....	34
5.Comparison table for the Rules of Procedures for Shareholder Meetings.....	35
6.Articles of Incorporation .....	50
7.Rules of Procedures for Shareholder Meetings .....	57
8.Current Shareholding of Directors.....	65

# APEX Biotechnology Corp.

## Procedure for the 2023 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Proposal Items
5. Discussion Items
6. Extempore Motions
7. Meeting Adjournment

# APEX Biotechnology Corp.

## Agenda of 2023 Annual Meeting of Shareholders

**Meeting Time : 9:00 a.m. on May 31st, 2023**

**Meeting Place : No. 7, Li-Hsin 5th Rd., Hsinchu Science Park, Hsinchu, Taiwan, ROC**

**Convening Method : Entity Meeting of Shareholders**

**1. Call the Meeting to Order (declare the number of shares represented by shareholders present at the meeting)**

**2. Chairperson Remarks**

**3. Report Items**

- (1) Business report of 2022
- (2) The Audit Committee's review report of 2022
- (3) Report 2022 employees' profit sharing bonus and directors' compensation
- (4) Report the distribution of 2022 profits

**4. Proposal Items**

- (1) Adoption of the 2022 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2022 profits

**5. Discussion Items**

- (1) Amendments to the "Rules of Procedures for Shareholder Meetings"

**6. Extempore Motions**

**7. Meeting Adjournment**

## Report Items

### 1. Business report of 2022

**Explanation:** Please refer to Appendix 1 (page 7).

### 2. The Audit Committee's review report of 2022

**Explanation:** Please refer to Appendix 2 (page 9)

### 3. Report 2022 employees' profit sharing bonus and directors' compensation

**Explanation:**

- (1) According to Paragraph 1, Article 27 of the Article of Incorporation of the Company, no less than 3% (for the employees) and no more than 1% (for the directors) of the profit before tax, before deduction of employee and director remuneration, shall be allocated for remuneration. However, given the situation that the Company still has accumulated losses shall be reserved first.
- (2) The Company distribute the 2022 employees' profit sharing bonus of 7% at an amount of NT\$15,191,225 and 1% at an amount of NT\$2,170,174 to Directors in cash.

### 4. Report the distribution of 2022 profits

**Explanation:**

- (1)The net income of the Company in 2022 is NT\$181,784,835. After adding the remeasurement of defined benefit plans of NT\$5,753,373, deducting setting aside the legal reserve of NT\$18,753,821, and adding unappropriated retained earnings as of the beginning of NT\$54,954,722, the total amount of earnings available for distribution is NT\$223,739,109, It is proposed that NT\$139,930,269 be distributed as cash dividends, and cash dividends at NT\$1.4 per share on common shares. After the proposed distribution, the unappropriated earnings at the end is NT\$83,808,840.
- (2)The cash dividends shall be calculated based on the portion of distribution. The amounts shall be rounded down zero decimal places. The total of fractional amounts less than one NTD shall be distributed in descending order of the original portion and in ascending order of the shareholder account numbers, until the total distributed amount meets the cash dividends amount.
- (3)Where the subsequent changes in the Company's share capital affect the number of shares outstanding and thus a change in the shareholders' cash dividend portions occurs, the Chairman of the Board shall handle the revision with sole discretion with the authorization granted in the General Shareholders' Meeting.

## Proposal Items

1.

**Proposed by the Board**

**Proposal:**

Adoption of the 2022 Business Report and Financial Statements

**Explanation:**

- (1) The 2022 Business Report, Individual Financial Statements and Consolidated Financial statements were prepared by the board of directors. The Individual Financial Statements and Consolidated Financial statements were audited by independent auditors, Ya Yun Chang and Yu Feng Huang of Deloitte Touche Tohmatsu Limited. Also, Business Report have been approved by the Board and examined by the Audit Committee.
- (2) For the 2022 Business Report, Independent auditors' audit report, and the Financial Statements, please refer to page 7 and page 10 to page 33.

**Resolution:**

2.

**Proposed by the Board**

**Proposal:**

Adoption of the proposal for distribution of 2022 profits

**Explanation:**

- (1) Please refer to page 34 for the Profit Distribution Proposal of 2022.

**Resolution:**

## **Discussion Items**

1.

**Proposed by the Board**

**Proposal:**

Amendments to the “Rules of Procedures for Shareholder Meetings”.

**Explanation:**

- (1) Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange, Adjust the content and order of the articles to be consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings.
- (2) Please refer to page 35 to page 49 for details.

**Resolution:**

## **Extempore Motions**

## **Meeting Adjournment**

# Appendices



(Appendix 1)

## Business Report

### 1. 2022 Business Results:

(In Thousands of New Taiwan Dollars)				
Annualized	FY2022	FY2021	Increase/Decrease	%
Operating Revenue	2,244,176	2,131,656	112,520	5.28
Gross Profit	576,839	571,512	5,327	0.93
Operating expenses	400,279	366,563	33,716	9.20
Net Operating Income	176,560	204,949	-28,389	-13.85
Net Income After Tax	181,451	202,289	-20,838	-10.30

The company's operating revenue in 2022 was NT\$2,244,176 thousand, an increase of 5.28% compared to NT\$2,131,656 thousand in 2021. Net profit after tax in 2022 was NT\$181,451 thousand, a decrease of NT\$20,838 thousand from net profit after tax of NT\$202,289 thousand in 2021.

The company's sales performance had grown 5.3% in 2022, mainly due to the increase in the number of orders from European customers. Therefore, overall revenue had seen slight growth while the margin was met with a small drop resulting from price rising of raw materials. The company's products were mainly sold in Europe and the United States. Because of the impact of the epidemic situation, the review time of the verification of EU and Taiwan TFDA regulations were lengthy, which delayed the shipment of new products and increased the costs.

### 2. Research and Development Status

(1) Ratios of R&D expense to net operating revenue in the past three years.

(In Thousands of New Taiwan Dollars)			
Year	2022	2021	2020
R&D Expense	165,448	153,289	150,771
Ratios of R&D expense to net operating revenue (%)	7.37%	7.19%	7.52%

(2) New product to be developed :

- A. Remote data transmission monitoring systems.
- B. A multiparameter blood lipid monitoring system.
- C. A Continuous Glucose Monitor (CGM) for home use.
- D. Rapid test reagent kits

### 3. Future development strategies

- Based on the spirit of sustainable management, our Company will continue to develop products that are beneficial to our customers and the society to strengthen ourselves ApexBio. Besides, fresh ideas from different aspects are implemented in response to upcoming uncertainties of the global society.
- As we pursue sustainable management and profit, we make sure to stress no less on concerning the environment, the society and our corporate governance. We will execute the corporate governance and the enhancement of sustainable management properly, in order to build up communication with our customers, employees, vendors, investors and the authority concerned.

The Company will actively strengthen its competitiveness and improve its revenue and profitability. We extend our sincere gratitude to all shareholders for supporting the Company.

Best Regards

Chairman: Thomas Shen

President: Thomas Shen

Accounting Supervisor: James Chu

(Appendix 2)

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2022. Ya Yun Chang and Yu Feng Huang, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The 2021 Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of APEX Biotechnology Corp. Therefore, this report is duly submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

APEX Biotechnology Corp.

Chairman of the Audit Committee:

I-Tan, Chih

Date: Mar. 10, 2023

(Appendix 3)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Apex Biotechnology Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of Apex Biotechnology Corporation (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 the notes to the parent company only 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 accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only 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 the Standards on Auditing of 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 parent company only financial statements for the year ended December 31, 2022.

These matters were addressed in the context of our audit of the parent company only 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 is stated as follows:

#### Revenue Recognition

For the year ended December 31, 2022, the net operating revenue was NT\$2,135,587 thousand, refer to notes 4 and 23 to the parent company only financial statements for the details of accounting policies and the related information about the recognition of revenue. Revenue is recognized as presumed risk based on Auditing Standards. Because the sales counterparties of the Company are rather stable, thus the new customers for the year ended December 31, 2022, customers who changed credit conditions and those with significant amount of overdue receivables are listed as the key audit matters for the recognition as sales revenue.

We have performed the major audit procedures as follows:

1. Understand and examine the key internal control design of the sales revenue procedures and its execution effectiveness.
2. Examine sales revenue transactions. Extract samples from the bookkeeping records concerning the receipt and payment collection to ensure the correctness of sales revenue recognition for auditing purpose.
3. Examine the entry of significant sales return and discount after the balance sheet date, that no incident caused by 2022, to prevent erroneous description in sales revenue.

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

As part of an audit in accordance with the Standards on Auditing of 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 for 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 and 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.

The engagement partners on the audit resulting in this independent auditors' report are Ya Yun Chang and Yu Feng Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2023

Notice to Readers

*The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.*



## APEX BIOTECHNOLOGY CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2022		December 31, 2021		LIABILITIES AND EQUITY	Note	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%		
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4,6	\$ 314,191	13	\$ 523,600	20	Short-term loans	16	\$ 50,000	2	\$ 150,000	6
Financial assets at fair value through profit or loss-current	4,7	65,829	2	69,715	3	Contract liabilities-current	4,23	27,923	1	92,891	4
Financial assets at amortized cost-current	4,8,31	-	-	6,200	-	Notes payable	18	63,225	3	58,733	2
Notes and accounts receivable, net	4,5,9,23	466,373	19	449,670	17	Accounts payable	18,30	208,558	9	272,680	10
Notes and accounts receivable from related parties, net	4,30	23,583	1	28,278	1	Other payables	19,30	132,126	5	129,549	5
Other receivables	9	10,063	-	13,972	1	Current tax liabilities	4,25	36,915	2	40,116	2
Other receivables from related parties	30	41,158	2	44,369	2	Current provisions	20	10,901	-	9,750	-
Inventories	4,5,10	691,030	28	606,269	23	Lease liabilities-current	4,13	4,187	-	3,503	-
Other current assets	15	19,193	1	10,557	-	Other current liabilities	19	3,025	-	2,888	-
Total current assets		<u>1,631,420</u>	<u>66</u>	<u>1,752,630</u>	<u>67</u>	Total current liabilities		<u>536,860</u>	<u>22</u>	<u>760,110</u>	<u>29</u>
<b>Non-current assets</b>						<b>Non-current liabilities</b>					
Financial assets at amortized cost-noncurrent	4,8,31	6,200	-	-	-	Deferred tax liabilities	4,25	3,064	-	2,847	-
Investments accounted for using equity method	4,5,11	41,922	2	72,002	3	Lease liabilities-noncurrent	4,13	112,993	4	115,391	4
Property, plant and equipment	4,12	639,847	26	662,284	25	Guarantee deposits received		27	-	27	-
Right-of-use assets	4,13	111,429	-	114,422	-	Credit balance of investments accounted for using equity method	4,11	-	-	236	-
Intangible assets	4,14	21,688	1	21,091	1	Total non-current liabilities		<u>116,084</u>	<u>4</u>	<u>118,501</u>	<u>4</u>
Deferred tax assets	4,25	3,620	-	433	-	Total liabilities		<u>652,944</u>	<u>26</u>	<u>878,611</u>	<u>33</u>
Prepayments for business facilities		4,917	-	4,462	-	<b>Equity</b>	4,22				
Refundable deposits		3,068	-	2,905	-	Share capital		<u>999,502</u>	<u>41</u>	<u>999,502</u>	<u>38</u>
Net defined benefit asset, non-current	4,21	6,157	-	1,114	-	Capital surplus		<u>68,368</u>	<u>3</u>	<u>68,368</u>	<u>3</u>
Total non-current assets		<u>838,848</u>	<u>34</u>	<u>878,713</u>	<u>33</u>	Retained earnings					
						Legal reserve		497,454	20	476,978	18
						Unappropriated retained earnings		<u>242,493</u>	<u>10</u>	<u>205,366</u>	<u>8</u>
						Total retained earnings		<u>739,947</u>	<u>30</u>	<u>682,344</u>	<u>26</u>
						Other equity		<u>9,507</u>	<u>-</u>	<u>2,518</u>	<u>-</u>
						Total equity		<u>1,817,324</u>	<u>74</u>	<u>1,752,732</u>	<u>67</u>
<b>Total assets</b>		<u>\$ 2,470,268</u>	<u>100</u>	<u>\$ 2,631,343</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 2,470,268</u>	<u>100</u>	<u>\$ 2,631,343</u>	<u>100</u>

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

## APEX BIOTECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Note	2022		2021	
		Amount	%	Amount	%
NET OPERATING REVENUE	4,23,30	\$ 2,135,587	100	\$ 2,005,990	100
OPERATING COSTS	4,10,24,30	1,639,157	77	1,516,731	76
GROSS PROFIT		496,430	23	489,259	24
(UNREALIZED) REALIZED PROFIT FROM SALES	4	( 2,161)	-	679	-
REALIZED GROSS PROFIT		494,269	23	489,938	24
OPERATING EXPENSES	9,24,30				
Selling and marketing expenses		58,686	3	52,180	2
General and administrative expenses		84,633	4	81,189	4
Research and development expenses		165,448	7	153,289	8
Impairment gain determined in accordance with IFRS 9		-	-	( 3,495)	-
Total operating expenses		308,767	14	283,163	14
INCOME FROM OPERATIONS		185,502	9	206,775	10
NON-OPERATING INCOME AND EXPENSES					
Interest income	24,30	1,589	-	500	-
Other income	4,24,27	2,444	-	5,697	-
Other gains and losses	4,24	50,039	2	( 27,018)	( 1)
Finance costs	24	( 5,246)	-	( 12,389)	( 1)
Share of profit (loss) of subsidiaries accounted for using equity method	4,5,11	( 34,672)	( 2)	11,282	1
Total non-operating income and expenses		14,154	-	( 21,928)	( 1)
INCOME BEFORE INCOME TAX		199,656		184,847	
INCOME TAX EXPENSE (INCOME)	4,25	17,871	1	( 17,377)	( 1)

(Continued)

## APEX BIOTECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>Note</u>	<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET INCOME		<u>\$ 181,785</u>	<u>8</u>	<u>\$ 202,224</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)	4,21,22				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		5	-	2	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		<u>6,989</u>	<u>1</u>	<u>(1,932)</u>	<u>-</u>
Other comprehensive income(loss) for the year, net of income tax		<u>12,742</u>	<u>1</u>	<u>599</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 194,527</u>	<u>9</u>	<u>\$ 202,823</u>	<u>10</u>
EARNINGS PER SHARE	26				
Basic		<u>\$ 1.82</u>		<u>\$ 2.03</u>	
Diluted		<u>\$ 1.81</u>		<u>\$ 1.93</u>	

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

(Concluded)

**APEX BIOTECHNOLOGY CORPORATION**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

	<u>Share Capital</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>		<u>Other Equity Exchange Differences on Translation of Foreign Operations</u>	<u>Treasury Shares</u>	<u>Total Equity</u>
	<u>Shares (In Thousands)</u>	<u>Ordinary Share</u>		<u>Legal Reserve</u>	<u>Unappropriated Earnings</u>			
BALANCE AT JANUARY 1, 2021	99,950	\$ 999,502	\$ 66,776	\$ 486,328	\$ 100,576	\$ 4,450	(\$ 12,246)	\$ 1,645,386
Appropriation of 2020 earnings								
Legal reserve	-	-	-	9,532	( 9,532)	-	-	-
Cash dividends – \$0.91 per share	-	-	-	( 18,882)	( 90,433)	-	-	( 109,315)
Share-based payments	-	-	1,592	-	-	-	12,246	13,838
Net income in 2021	-	-	-	-	202,224	-	-	202,224
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	2,531	( 1,932)	-	599
Total comprehensive income in 2021	-	-	-	-	204,755	( 1,932)	-	202,823
BALANCE AT DECEMBER 31, 2021	99,950	999,502	68,368	476,978	205,366	2,518		1,752,732
Appropriation of 2021 earnings								
Legal reserve	-	-	-	20,476	( 20,476)	-	-	-
Cash dividends – \$1.3 per share	-	-	-	-	( 129,935)	-	-	( 129,935)
Net income in 2022	-	-	-	-	181,785	-	-	181,785
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	5,753	6,989	-	12,742
Total comprehensive income in 2022	-	-	-	-	187,538	6,989	-	194,527
BALANCE AT DECEMBER 31, 2022	99,950	\$ 999,502	\$ 68,368	\$ 497,454	\$ 242,493	\$ 9,507	\$ -	\$ 1,817,324

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

## APEX BIOTECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 199,656	\$ 184,847
Adjustments for:		
Depreciation expense	65,279	69,562
Amortization expense	3,477	3,489
Expected credit gain	-	( 3,495)
Net loss (gain) on financial assets at fair value through profit or loss	4,590	( 31,703)
Finance costs	5,246	12,389
Interest income	( 1,589)	( 500)
Dividend income	( 575)	( 1,597)
Share-based payments	-	1,592
Share of loss (profit) of subsidiaries accounted for using equity method	34,672	( 11,282)
Property, plant and equipment transferred to expenses	855	-
Impairment loss on non-financial assets	6,000	12,000
Unrealized (realized) loss from sales	2,161	( 679)
Unrealized foreign exchange loss (gain)	( 44,242)	42,585
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	( 5,954)	( 160,120)
Notes receivable and accounts receivable from related parties	4,911	6,911
Other receivables	3,939	( 5,137)
Other receivables from related parties	8,191	36,000
Inventories	( 90,761)	( 138,813)
Other current assets	( 8,636)	2,267
Contract liabilities	( 64,968)	51,433
Notes payable	4,492	646
Accounts payable	( 64,940)	96,716
Other payables	193	17,881
Provisions	1,151	1,168
Other current liabilities	137	6,100

(Continued)

## APEX BIOTECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Net defined benefit assets	\$ 710	( \$ 454)
Cash generated from operations	63,995	191,806
Interest received	605	419
Dividend received	575	1,597
Interest paid	( 5,210)	( 10,456)
Income taxes paid	( 24,042)	( 9,128)
Net cash generated from operating activities	<u>35,923</u>	<u>174,238</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	( 1,705)	( 178,344)
Proceeds from disposal of financial assets at fair value through profit or loss	1,001	176,345
Acquisition of property, plant and equipment	( 35,984)	( 20,949)
Increase in refundable deposits	( 163)	( 2,202)
Acquisition of intangible assets	( 4,074)	( 3,600)
Increase in prepayments for business facilities	( 455)	( 3,993)
Net cash used in investing activities	<u>( 41,380)</u>	<u>( 32,743)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	905,000	1,620,020
Decrease in short-term loans	( 1,005,000)	( 1,470,020)
Repayments of bonds	-	( 397,706)
Decrease in guarantee deposits received	-	( 2)
Payments of lease liabilities	( 4,084)	( 4,090)
Cash dividends paid	( 129,935)	( 109,315)
Treasury shares sold to employees	-	12,246
Net cash used in financing activities	<u>( 234,019)</u>	<u>( 348,867)</u>

(Continued)

## APEX BIOTECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>\$ 30,067</u>	<u>( \$ 26,042)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	( 209,409)	( 233,414)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>523,600</u>	<u>757,014</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 314,191</u>	<u>\$ 523,600</u>

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

(Concluded)

**DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF  
AFFILIATES**

The entities that are required to be included in the combined financial statements of Apex Biotechnology Corporation as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Apex Biotechnology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

APEX BIOTECHNOLOGY CORPORATION

By

---

Yen Shih Shen  
Chairman

March 10, 2023



## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Apex Biotechnology Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Apex Biotechnology Corporation and its subsidiaries (the "Company"), 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 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 as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (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 the Standards on Auditing of 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 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 consolidated financial statements for the year ended December 31, 2022. 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 for the Company's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

### Revenue Recognition

For the year ended December 31, 2022, the net operating revenue was NT\$2,244,176 thousand, refer to notes 4 and 23 to the consolidated financial statements for the details of accounting policies and the related information about the recognition of revenue. Revenue is recognized as presumed risk based on Auditing Standards. Because the sales counterparties of the Company are rather stable, thus the new customers for the year ended December 31, 2022, customers who changed credit conditions and those with significant amount of overdue receivables are listed as the key audit matters for the recognition as sales revenue.

We have performed the major audit procedures as follows:

1. Understand and examine the key internal control design of the sales revenue procedures and its execution effectiveness.
2. Examine sales revenue transactions. Extract samples from the bookkeeping records concerning the receipt and payment collection to ensure the correctness of sales revenue recognition for auditing purpose.
3. Examine the entry of significant sales return and discount after the balance sheet date, that no incident caused by 2022, to prevent erroneous description in sales revenue.

### **Other Matter**

We have also audited the parent company only financial statements of Apex Biotechnology Corporation as of and for the years ended December 31, 2022 and 2021 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 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 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 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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional 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 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 the entities or business activities within the Company 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, 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.

The engagement partners on the audit resulting in this independent auditors' report are Ya Yun Chang and Yu Feng Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 10, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.*

## APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2022		December 31, 2021		LIABILITIES AND EQUITY	Note	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%		
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4,6	\$ 331,705	13	\$ 555,334	21	Short-term loans	16	\$ 50,000	2	\$ 150,000	6
Financial assets at fair value through profit or loss - current	4,7	65,829	3	69,715	3	Contract liabilities-current	4,23	29,043	1	93,060	3
Financial assets at amortized cost - current	4,8,31	-	-	6,200	-	Notes payable	18	63,225	3	58,733	2
Notes and accounts receivable, net	4,5,9,23,30	486,769	19	474,408	18	Accounts payable	18,30	226,460	9	285,158	11
Other receivables	9	10,117	1	13,972	-	Other payables	19,30	142,968	6	139,298	5
Inventories	4,5,10	739,252	29	628,585	24	Current tax liabilities	4,25	36,915	2	40,116	2
Other current assets	15	20,806	1	11,639	-	Current provisions	20	10,901	-	9,750	-
Total current assets		<u>1,654,478</u>	<u>66</u>	<u>1,759,853</u>	<u>66</u>	Lease liabilities-current	4,13	8,014	-	6,884	-
						Other current liabilities	19	3,026	-	2,889	-
						Total current liabilities		<u>570,552</u>	<u>23</u>	<u>785,888</u>	<u>29</u>
<b>Non-current assets</b>						<b>Non-current liabilities</b>					
Financial assets at amortized cost - non-current	4,8,31	6,200	-	-	-	Deferred tax liabilities	4,25	3,103	-	2,883	-
Property, plant and equipment	4,12	641,370	26	664,029	25	Lease liabilities - non-current	4,13	122,668	5	127,661	5
Right-of-use assets	4,13	124,709	5	130,092	5	Guarantee deposits received		485	-	479	-
Intangible assets	4,5,14	69,141	-	106,478	-	Total non-current liabilities		<u>126,256</u>	<u>5</u>	<u>131,023</u>	<u>5</u>
Deferred tax assets	4,25	3,620	-	433	-						
Prepayments for business facilities		4,917	-	4,462	-	Total liabilities		<u>696,808</u>	<u>28</u>	<u>916,911</u>	<u>34</u>
Refundable deposits		4,109	-	4,006	-						
Net defined benefit asset, non-current	4,21	6,157	-	1,114	-	<b>Equity attributable to shareholders of the parent</b>	4,22				
Total non-current assets		<u>860,223</u>	<u>34</u>	<u>910,614</u>	<u>34</u>	Share capital		999,502	40	999,502	37
						Capital surplus		68,368	3	68,368	3
						Retained earnings					
						Legal reserve		497,454	20	476,978	18
						Unappropriated earnings		242,493	9	205,366	8
						Total retained earnings		<u>739,947</u>	<u>29</u>	<u>682,344</u>	<u>26</u>
						Other equity		9,507	-	2,518	-
						Equity attributable to shareholders of the parent		1,817,324	72	1,752,732	66
						<b>Non-controlling interests</b>	22	569	-	824	-
						Total equity		<u>1,817,893</u>	<u>72</u>	<u>1,753,556</u>	<u>66</u>
<b>Total assets</b>		<u>\$ 2,514,701</u>	<u>100</u>	<u>\$ 2,670,467</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 2,514,701</u>	<u>100</u>	<u>\$ 2,670,467</u>	<u>100</u>

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

## APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Note	2022		2021	
		Amount	%	Amount	%
NET OPERATING REVENUE	4,23,30	\$ 2,244,176	100	\$ 2,131,656	100
OPERATING COSTS	4,10,24,30	<u>1,667,337</u>	<u>74</u>	<u>1,560,144</u>	<u>73</u>
GROSS PROFIT		<u>576,839</u>	<u>26</u>	<u>571,512</u>	<u>27</u>
OPERATING EXPENSES	9,24,30				
Selling and marketing expenses		116,054	5	106,909	5
General and administrative expenses		118,777	5	109,860	5
Research and development expenses		165,448	8	153,289	7
Impairment gain determined in accordance with IFRS 9		<u>-</u>	<u>-</u>	<u>( 3,495)</u>	<u>-</u>
Total operating expenses		<u>400,279</u>	<u>18</u>	<u>366,563</u>	<u>17</u>
INCOME FROM OPERATIONS		<u>176,560</u>	<u>8</u>	<u>204,949</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES					
Interest income	24	577	-	414	-
Other income	4,24,27	2,600	-	19,141	1
Other gains and losses	4,5,24	25,236	1	( 27,038)	( 1)
Finance costs	24	<u>( 5,398)</u>	<u>-</u>	<u>( 12,530)</u>	<u>( 1)</u>
Total non-operating income and expenses		<u>23,015</u>	<u>1</u>	<u>( 20,013)</u>	<u>( 1)</u>
INCOME BEFORE INCOME TAX		199,575		184,936	
INCOME TAX EXPENSE (INCOME)	4,25	<u>18,124</u>	<u>1</u>	<u>( 17,353)</u>	<u>( 1)</u>
NET INCOME		<u>181,451</u>	<u>8</u>	<u>202,289</u>	<u>10</u>

(Continued)

## APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>Note</u>	<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)	4,21,22				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		\$ 5,753	-	\$ 2,531	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		<u>7,068</u>	<u>1</u>	<u>(1,954)</u>	<u>-</u>
Other comprehensive income(loss) for the year, net of income tax		<u>12,821</u>	<u>1</u>	<u>577</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>\$ 194,272</u>	<u>9</u>	<u>\$ 202,866</u>	<u>10</u>
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 181,785	8	\$ 202,224	9
Non-controlling interests		<u>(334)</u>	<u>-</u>	<u>65</u>	<u>-</u>
		<u>\$ 181,451</u>	<u>8</u>	<u>\$ 202,289</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 194,527	9	\$ 202,823	10
Non-controlling interests		<u>(255)</u>	<u>-</u>	<u>43</u>	<u>-</u>
		<u>\$ 194,272</u>	<u>9</u>	<u>\$ 202,866</u>	<u>10</u>
EARNINGS PER SHARE	26				
Basic		<u>\$ 1.82</u>		<u>\$ 2.03</u>	
Diluted		<u>\$ 1.81</u>		<u>\$ 1.93</u>	

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

(Concluded)



**APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

**Equity Attributable to Shareholders of the Parent**

	<u>Share Capital</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>		<u>Other Equity Exchange Differences on Translation of Foreign Operations</u>	<u>Treasury Shares</u>	<u>Total</u>	<u>Non-controlling Interests</u>	<u>Total Equity</u>
	<u>Shares (In thousands)</u>	<u>Amount</u>		<u>Legal Reserve</u>	<u>Unappropriated Earnings</u>					
BALANCE AT JANUARY 1, 2021	99,950	\$ 999,502	\$ 66,776	\$ 486,328	\$ 100,576	\$ 4,450	(\$ 12,246)	\$ 1,645,386	\$ 781	\$ 1,646,167
Appropriation of 2020 earnings										
Legal reserve	-	-	-	9,532	( 9,532)	-	-	-	-	-
Cash dividends -\$0.91 per share	-	-	-	( 18,882)	( 90,433)	-	-	( 109,315)	-	( 109,315)
Share-based payments	-	-	1,592	-	-	-	12,246	13,838	-	13,838
Net income in 2021	-	-	-	-	202,224	-	-	202,224	65	202,289
Other comprehensive income (loss) in 2021, net of Income tax	-	-	-	-	2,531	( 1,9)	-	599	( 22)	577
Total comprehensive income in 2021	-	-	-	-	204,755	( 1,9)	-	202,823	43	202,866
BALANCE AT DECEMBER 31, 2021	99,950	999,502	68,368	476,978	205,366	2,518	-	1,752,732	824	1,753,556
Appropriation of 2021 earnings										
Legal reserve	-	-	-	20,476	( 20,476)	-	-	-	-	-
Cash dividends -\$1.30 per share	-	-	-	-	( 129,935)	-	-	( 129,935)	-	( 129,935)
Net income in 2022	-	-	-	-	181,785	-	-	181,785	( 334)	181,451
Other comprehensive income (loss) in 2022, net of Income tax	-	-	-	-	5,753	6,989	-	12,742	79	12,821
Total comprehensive income in 2022	-	-	-	-	187,538	6,989	-	194,527	( 255)	194,272
BALANCE AT DECEMBER 31, 2022	99,950	\$ 999,502	\$ 68,368	\$ 497,454	\$ 242,493	\$ 9,507	\$ -	\$ 1,817,324	\$ 569	\$ 1,817,893

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

## APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 199,575	\$ 184,936
Adjustments for:		
Depreciation expense	69,623	72,434
Amortization expense	24,477	23,241
Expected credit gain	-	( 3,495)
Net loss (gain) on financial assets at fair value through profit or loss	4,590	( 31,703)
Finance costs	5,398	12,530
Interest income	( 577)	( 414)
Dividend income	( 575)	( 1,597)
Share-based payments	-	1,592
Property, plant and equipment transferred to expenses	855	-
Impairment loss on non-financial assets	6,000	12,000
Impairment loss on intangible assets	24,887	-
Unrealized foreign exchange loss(gain)	( 40,308)	40,263
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	( 1,380)	( 160,771)
Other receivables	3,885	3,305
Inventories	( 116,667)	( 136,050)
Other current assets	( 9,167)	2,657
Contract liabilities	( 64,017)	50,450
Notes payable	4,492	646
Accounts payable	( 59,508)	99,306
Other payables	1,353	21,504
Provisions	1,151	1,168
Other current liabilities	137	195
Net defined benefit assets	710	( 454)
Cash generated from operations	54,934	191,743
Interest received	547	414

(Continued)

## APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Dividend received	\$ 575	\$ 1,597
Interest paid	( 5,398)	( \$ 4,699)
Income taxes paid	( 24,042)	( 9,187)
Net cash generated from operating activities	<u>26,616</u>	<u>179,868</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	( 1,705)	( 178,344)
Proceeds from disposal of financial assets at fair value through profit or loss	1,001	176,345
Acquisition of property, plant and equipment	( 36,126)	( 22,599)
Increase in refundable deposits	( 7)	( 2,826)
Acquisition of intangible assets	( 4,074)	( 3,600)
Increase in prepayments for business facilities	( 455)	( 3,993)
Net cash used in investing activities	<u>( 41,366)</u>	<u>( 35,017)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	964,610	1,690,043
Decrease in short-term loans	( 1,064,610)	( 1,540,043)
Repayments of bonds	-	( 397,706)
Increase (Decrease) in guarantee deposits received	13	( 8)
Payments of lease liabilities	( 7,680)	( 6,490)
Cash dividends paid	( 129,935)	( 109,315)
Treasury shares sold to employees	-	12,246
Net cash used in financing activities	<u>( 237,602)</u>	<u>( 351,273)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<u>28,723</u>	<u>( 25,189)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>( 223,629)</u>	<u>( 231,611)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>555,334</u>	<u>786,945</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 331,705</u>	<u>\$ 555,334</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

(Appendix 4)

**APEX Biotechnology Corp.**  
2022 Profit Distribution Proposal

(New Taiwan Dollars)

Beginning Balance of retained earnings	54,954,722
Add: 2021 Net profit after tax	181,784,835
Recognition of remeasurement of defined benefit plans	5,753,373
-Less: 10% Legal Reserve	(18,753,821)
2021 Unappropriated retained earnings	223,739,109
-Less: Distributable items:	
Cash Dividends to shareholders (NT\$1.3 per share)	(139,930,269)
Ending Balance of Undistribution Earning	83,808,840

Note 1. Priority distribution of year 2022.

Note 2. The Total dividend distribution to shareholders is calculated based on the 99,950,192 outstanding shares on Feb. 28<sup>th</sup>, 2023.

## (Appendix 5)

## Apex Biotechnology Corporation

## Comparison table for the amendments of the Rules of Procedures for Shareholder Meetings

Original Article	Amended Article	Reason for Amendment
(New added)	<u>Article 1</u> To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE / GTSM Listed Companies.	New added to meet [the sample template for Co., Ltd. rules of procedure for shareholders meetings]
<del>Article-4</del> Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.	<u>Article 2</u> The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.	1. Adjust the content of article 1 to article 2 2. According to [the sample template for Co., Ltd. rules of procedure for shareholders meetings]
<del>Article-2</del> This Corporation 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 or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation 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 regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation	<u>Article 3</u> Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. <u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> This Corporation 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 or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation 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 regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most</u>	1. Adjust the content of article 2 to article 3 2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange

Original Article	Amended Article	Reason for Amendment
<p>and the professional shareholder services agent designated <del>thereby as well as being distributed on-site at the meeting place.</del></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>(Omitted)</p>	<p><u>current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby.</p> <p>This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <ol style="list-style-type: none"> <li>1. <u>For physical shareholders meetings, to be distributed on-site at the meeting.</u></li> <li>2. <u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></li> <li>3. <u>For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></li> </ol> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>(Omitted)</p>	
<p>Article-3</p> <p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>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 this Corporation before</p>	<p><u>Article 4</u></p> <p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>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 this Corporation before five</p>	<p>1. Adjust the content of article 3 to article 4</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p>

Original Article	Amended Article	Reason for Amendment
<p>five 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.</p> <p>After a proxy form has been delivered to this Corporation, 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 this Corporation before two 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.</p>	<p>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.</p> <p>After a proxy form has been delivered to this Corporation, 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 this Corporation before two 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.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two 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.</u></p>	
<p>Article 6</p> <p>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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p><u>Article 5(Principles determining the time and place of a shareholders meeting)</u></p> <p>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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p>1. Adjust the content of article 6 to article 5</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p> <p>3. Consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings</p>
<p>Article-4</p> <p>This Corporation 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.</p> <p>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</p>	<p><u>Article 6(Preparation of documents such as the attendance book)</u></p> <p>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as</p>	<p>1. Adjust the content of article 4 to article 6</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p> <p>3. Consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings</p>

Original Article	Amended Article	Reason for Amendment
<p>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.</p> <p><del>Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.</del></p> <p><del>A shareholder is required to submit attendance cards in lieu of signing in when attending the meeting. The number of Shares represented by Shareholders attending the general meeting shall be calculated in accordance with the number of attendance cards submitted by Shareholders in plus the number of shares whose voting rights are exercised by correspondence or electronically.</del></p>	<p>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. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.</p> <p><u>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</u></p> <p><u>This Corporation 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 or supervisors, pre-printed ballots shall also be furnished.</u></p> <p><u>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.</u></p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	



Original Article	Amended Article	Reason for Amendment
(New added)	<p><u>Article 6-1(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u>  <u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <ol style="list-style-type: none"> <li>1. <u>How shareholders attend the virtual meeting and exercise their rights.</u></li> <li>2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <ol style="list-style-type: none"> <li>A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></li> <li>B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></li> <li>C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></li> <li>D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></li> </ol> </li> </ol>	<p>Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p>

Original Article	Amended Article	Reason for Amendment
	<p>3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>	
<p>Article 7 (Omitted)</p>	<p>Article 7(The chair and non-voting participants of a shareholders meeting) (Omitted)</p>	<p>1. Adjust the content of article 8 to article 7</p>
<p>Article 8 This Corporation appoints its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>	<p>This Corporation <u>may</u> appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>	<p>2. Consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings</p>
<p>Article 9 This Corporation, 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>Article 8(Documentation of a shareholders meeting by audio or video) This Corporation, 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>1. Adjust the content of article 9 to article 8</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p> <p>3. Consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings</p>

Original Article	Amended Article	Reason for Amendment
<p>Article 5 Attendance <del>and vote</del> at shareholders' meetings shall be calculated based on numbers of shares.</p>	<p><u>Article 9</u> Attendance at shareholders' meetings shall be calculated based on numbers of shares. <u>The number of shares in attendance shall be calculated according to</u></p>	<p>1. Adjust the content of article 5 and article 10 to article 9 2. Amended according to</p>
<p>Article 10 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. The chair shall call the meeting to order at the appointed meeting time and provide the information of non-voting right and number of shares attended. 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 one 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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p><u>the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u> The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. 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 one 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. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> 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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to</p>	<p>the announcement No. 1110004250 of the Taiwan Stock Exchange</p>

Original Article	Amended Article	Reason for Amendment
	Article 174 of the Company Act.	
Article 44 (Omitted)	<u>Article 10</u> (Omitted)	Adjust the article number
<p>Article 42</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p><u>Article 11</u>(Shareholder speech)</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>1. Adjust the content of article 12~15 to article 11</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p> <p>3. Consistent with the content of the sample template for Co., Ltd. rules of procedure for shareholders meetings</p>
<p>Article 43</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
<p>Article 44</p> <p><del>When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</del></p> <p>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.</p>	<p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p>	
<p>Article 45</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>		

Original Article	Amended Article	Reason for Amendment
	<u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	
Article 16 (Omitted)	<u>Article 12</u> (Calculation of voting shares and recusal system) (Omitted)	1. Adjust the content of article 16 to article 12 2. Add subtitle
Article 18 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. When this Corporation holds a shareholder 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 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 this Corporation 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 this Corporation before two 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	<u>Article 13</u> 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. When this Corporation holds a shareholder 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 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 this Corporation 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 this Corporation before two 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 or by virtual meeting, a written declaration of intent to retract the voting rights already exercised	1. Adjust the content of article 17~19 to article 13 2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange

Original Article	Amended Article	Reason for Amendment
<p>under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two 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.</p> <p>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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered to the MOPS.</p>	<p>under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two 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 <u>electronic means</u> and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered to the MOPS.</p>	
<p>Article 49</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p>	<p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>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 the Company.</p>	
<p>Article 47</p> <p>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 the Company.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders</p>	<p>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</p>	

Original Article	Amended Article	Reason for Amendment
<p>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 at the meeting and a record made of the vote.</p>	<p>of votes, shall be announced at the meeting and a record made of the vote.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	
<p>Article 20 (Omitted)</p>	<p><u>Article 14</u> (Omitted)</p>	<p>Adjust the article number</p>
<p>Article 24 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. This Corporation may distribute the</p>	<p><u>Article 15</u> 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. This Corporation may distribute the meeting</p>	<p>1. Adjust the content of article 21 to article 15 2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p>

Original Article	Amended Article	Reason for Amendment
<p>meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p>	<p>minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</p> <p>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</p>	
<p><b>Article 22</b></p> <p>On the day of a shareholders meeting, this Corporation 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.</p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, this Corporation shall upload</p>	<p><b>Article 16 (Public disclosure)</b></p> <p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before</u></p>	<p>1. Adjust the content of article 22 to article 16</p> <p>2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange</p>



Original Article	Amended Article	Reason for Amendment
the content of such resolution to the MOPS within the prescribed period.	<u>the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed period.	
Article 23 (Omitted)	Article 17(Maintaining order at the meeting place) (Omitted)	1. Adjust the article number 2. Add subtitle
Article 24 (Omitted)	Article18 (Recess and resumption of a shareholders meeting) (Omitted)	1. Adjust the article number 2. Add subtitle
(New added)	<u>Article19 (Disclosure of information at virtual meetings)</u> <u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	1. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange
(New added)	<u>Article20 (Location of the chair and secretary of virtual-only shareholders meeting)</u> <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	2. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange
(New added)	<u>Article21 (Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to</u>	3. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange

Original Article	Amended Article	Reason for Amendment
	<p><u>help resolve communication technical issues.</u></p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares</u></p>	

Original Article	Amended Article	Reason for Amendment
	<p><u>represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>	
(New added)	<p><u>Article 22(Handling of digital divide)</u></p> <p><u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>	4. Amended according to the announcement No. 1110004250 of the Taiwan Stock Exchange
Article 25 (Omitted)	Article 23 (Omitted)	Adjust the article number

(Appendix 6)

## **Articles of Incorporation of Apex Biotechnology Corporation**

### Chapter 1. General Provisions

Article 1. The Company is organized in accordance with the Company Act and named Apex Biotechnology Corporation.

Article 2. The Scope of business of the Company is as follows:

- (1) CF01011 Medical Devices Manufacturing
  - (2) CE01010 General Instrument Manufacturing
  - (3) C199990 Manufacture of Other Food Products Not Elsewhere Classified
  - (4) C802041 Manufacture of Drug and Medicines
  - (5) C802051 Manufacture of Chinese Medicines
  - (6) F401010 International Trade
  - (7) IG01010 Biotechnology Services
  - (8) J101050 Environmental Testing Services
  - (9) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
  - (10) F108031 Wholesale of Medical Devices
  - (11) F208031 Retail Sale of Medical Apparatus
  - (12) F213060 Retail Sale of Telecommunication Apparatus
  - (13) F113070 Wholesale Telecommunication Apparatus
  - (14) F108021 Wholesale of Western Pharmaceutical
  - (15) F208021 Retail Sale of Western Pharmaceutical
- 《Research, Develop, Produce, Manufacture and Sell the following Products:
- i. Biochemical inspection tester and its test piece
  - ii. In vitro test reagents
  - iii. Environmental Testing System
  - iv. Nutrient Food
  - v. Protein Pharmaceutical Products
  - vi. Western Medicine Type
  - vii. Radio Transmitter
  - viii. Radio Transceiver
  - ix. Radio Receiver
  - x. Trading Business of the above related products》

Article 3. To achieve the goal of diversified management, The total amount of reinvestment of the Company is not restricted by Article 13 of the Company Act. and may exceed forty percent (40%) of its paid-in capital.

Article 4. The Company is headquartered in Hsinchu Science Park and when necessary may establish branches or representative offices at proper locations at home and abroad as resolved by Board of Directors.

Article 5. Deleted.

## Chapter 2. Shares

Article 6. The authorized capital of the Company is NT\$2billion consisting of 200 million shares. The par value of each share is NT\$10, and the Board of Directors is authorized to issue the shares in separate installments.

Article 7. The share certificates of the Company shall without exception be in registered form, the share certificate shall be affixed with the signatures or personal seals of the director representing the company and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The Company may be exempted from printing any share certificate for the shares issued, and the company shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 8. The Company shall process the shareholder service in accordance with the “Regulations Governing the Administration of Stock Affairs of Public Companies” and related regulations.

Article 9. Deleted.

Article 10. Deleted.

Article 11. All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an General shareholders’ meeting, or for 30 days prior to an extra general shareholders’ meeting, or for 5days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Article 12. Deleted.

## Chapter 3. Shareholders’ Meeting

Article 13. Shareholder’s meetings of the Company are of two kinds: general shareholders’ meeting and extra general shareholders’ meeting. The General shareholders’ meeting is convened at least once per year within 6 months from the close of the fiscal year. Extra general shareholders’ meeting may be convened in accordance

with applicable laws and regulations whenever necessary.

Article 13-1. The company's shareholders meeting can be hold via visual communication meeting or any other ways announced by Ministry of Economic Affairs, R.O.C..

Article 14. For General shareholders' meeting, the notice of meeting shall be served to each shareholder at least thirty days prior to the meeting; for extra General shareholders' meetings, a notice of meeting shall be served to each shareholder at least fifteen days prior to the meeting. The notice of meeting shall specify the date, location and reasons for convening the meeting. The shareholders' meeting notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. For shareholders holding 1,000 registered shares, the notice of the shareholders meeting can be announced.

Article 15. Except as otherwise provided by the Company Act, resolutions of a shareholders' meeting shall be adopted at a meeting attended by shareholders representing a majority of the total number of issued shares and at which meeting a majority of the shareholders' vote in favor of such resolutions. A shareholder may also vote via an electronic voting system and those who do shall be deemed as attending the shareholders' meeting in person, electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 16. A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179 of the Company Act.

Article 17. If for any reason, the shareholders cannot attend at the shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form and stating the scope of the proxy's authorization in accordance with the Article 177 of the Company Act and the "Regulations for the Use of Proxies for the Attendance at Stockholders Meeting of Public Companies", promulgated by the Competent governmental authority.

Article 17-1. The shareholders holding one percent or more of the total number of outstanding shares of the company may submit to the Company a proposal for discussion at a general shareholder meeting. Such proposal, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda, such related operating procedures shall be in accordance with the Company Act and related regulations.

Article 18. 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 power of the 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 ; 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.

Article 19. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes in accordance with the Article 183 of the Company Act.

#### Chapter 4. Directors, Audit Committee and Managerial Officers

Article 20. The Company shall have five to seven directors to be elected from person having legal capacity at a shareholders' meeting. Each director shall hold office for a term of three years. According to the Article 198 of the Company Act, the cumulative voting system is adopted for selection and directors may be eligible for re-election. Regarding to the percentage of shareholdings of all the directors selected shall be handled in according with the regulations of the Securities Authority.

Article 20-1. The number of independent directors, among the aforementioned number of directors, shall be no less than three, and shall be no less than one fifth of the total number of directors. Election of independent directors shall adopt the candidate nomination measure, and independent directors shall be deleted from among the list of candidates for independent directors by the shareholders' meeting in accordance with Article 192-1 of the Company Act.

Matters regarding professional qualification, restrictions on shareholdings, concurrent positions held, method of nomination and election and other matters for compliance with respect to independent directors shall be subject to the rules prescribed by the securities governing authorities.

Independent and non-independent directors shall be elected at the same time but in separately calculated numbers.

Article 21. The chairperson of the Board shall be elected from among the directors by a majority vote of the director present at a meeting attended by at least two-thirds of all directors and the chairperson represents the Company. 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 power of the 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 22. A directors' meeting shall be convened by the chairperson unless otherwise provided by the Company Act. Unless otherwise provided by the Company Act, resolutions of a directors' meeting shall be adopted by a majority vote of the director present at a meeting attended by a majority of all directors.

Article 22-1. The Board of directors' meeting shall be held no less than once a quarter, and the notice for the directors' meeting shall specify the reasons for the meeting and shall be served to each director at least seven days prior to the meeting. A board of directors' meeting may be held at any time in case of an emergency. The notice of directors' meeting may be served in writing, fax or e-mail and etc.

Article 23. In case a director cannot, for cause, attend a meeting, a director may appoint another director to attend the meeting by providing the proxy form in each time and stating the scope of the authority with reference to the subjects to be discussed at the meeting. A director may act as the proxy of only one other director. If the Board meeting is held in the form of video conference, those participated by video conference are deemed as participation in person.

Article 24. Pursuant to the Securities and Exchange Act, the Company shall set up the Audit Committee, which shall consist of the entire independent directors, the members shall be responsible for performing the functions and duties of supervisors provided under the Company Act, Securities and Exchange Act, and other laws and regulations. The members of the Audit Committee exercise of duties and other matters of compliance shall be handled in accordance with relevant laws and regulations, and the Board of directors shall establish the Audit Committee Charter. The Board of Director may establish compensation committee or other committee with different functions in accordance with the laws and regulations or Business operation needs.

Article 25. The Company may have one or more managerial personnel, the appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Article 25-1. Except for the remuneration for the distribution of surplus in the annual final accounts, which is subject to the provisions otherwise stipulated by the article 27 of Articles of Association, the remuneration of the Directors shall be determined by the Board of Directors in accordance with each Director's involvement in and contribution to the Company's operation and also taking into consideration the national remuneration standards of the industry.

#### Chapter 5. Accounting

Article 26. The Company's fiscal year is from January 1 to December 31 each year, and the end of each fiscal year, the closing of books shall be made, and the board of directors shall prepare the following statements in accordance with the Company Act, the statements shall be examined by the Audit Committee at least thirty days prior to the general meeting and the proposal shall be presented



at a general shareholders' meeting for recognition pursuant by the Audit Committee.

- 1). Business Report
- 2). Financial Report
- 3). Proposal for allocating profit or conversing loss

Article 27. If Company has a profit in the total final account of a fiscal year, it shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at ten percent (10%) of the remaining profit provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company, then set aside or reverse special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. If there is still balance of the year, the residue plus the accumulated undistributed profit of the previous year. The dividend policy shall be conditioned by the business expansion and cash flow need of the company in the futures, the shareholders interest, balance of dividend payment and long-term financial planning shall also be considered. The total dividends amount shall be no less than fifty percent (50%) of the total accumulative distributed profit of the year, amount which the cash dividend ratio shall be no less than twenty percent (20%) of the total dividends, the board of directors shall propose the profits distribution plan and submit to the shareholders' meeting for approval before distribution.

The distributable dividends and bonuses in whole or in part can be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting, but the approval of shareholders' meeting is unnecessary.

Article 27-1. From the pre-tax net profit of current year before deducting remuneration of employees and remuneration of directors, no more than 3% shall be allocated as remuneration of employees and no less than 1% shall be allocated as remuneration of directors. However, if the Company has accumulated losses in previous years, it shall reserve an amount of the pre-tax profit for offsetting the accumulated losses.

The employee compensation in the preceding paragraph shall be distributed in stock or cash and maybe distributed to employees of the Company's subsidiaries, if such employees satisfy certain qualifications as may be resolved by the Board of Directors. The compensation for Directors shall be distributed in cash.

In the preceding two paragraphs shall be resolved by the Board of Directors and shall be reported to Shareholders' meeting.

Article 28. A Member company may purchase Director and Officer liability insurance coverage against the liabilities for damage compensation for its supervisors during their tenure, so as to reduce and spread the risk of damages that may be sustained by the

company or shareholders caused by any illegal act of its supervisors.

#### Chapter 6. Supplemental Provisions

- Article 29. The organizational rules of the Company shall be separately stipulated.
- Article 30. In case of any matters not covered herein, the Company Act shall govern.
- Article 31. These Articles of Association were adopted on November 14, 1997  
The first amendment on April 28, 1998,  
2<sup>nd</sup> amendment on June 23, 1998,  
3<sup>rd</sup> amendment on December 8, 1998,  
4<sup>th</sup> amendment on June 1, 1999,  
5<sup>th</sup> amendment on May 16, 2000.  
6<sup>th</sup> amendment on May 18, 2001.  
7<sup>th</sup> amendment on May 16, 2002.  
8<sup>th</sup> amendment on May 16, 2003.  
9<sup>th</sup> amendment on May 14, 2004.  
10<sup>th</sup> amendment on May 8, 2006.  
11<sup>th</sup> amendment on June 13, 2007.  
12<sup>th</sup> amendment on August 31, 2009.  
13<sup>th</sup> amendment on May 21, 2010.  
14<sup>th</sup> amendment on May 8, 2012.  
15<sup>th</sup> amendment on May 10, 2013.  
16<sup>th</sup> amendment on June 17, 2014.  
17<sup>th</sup> amendment on June 9, 2015.  
18<sup>th</sup> amendment on May 31, 2016.  
19<sup>th</sup> amendment on June 2, 2017.  
20<sup>th</sup> amendment on May 25, 2018.  
21<sup>st</sup> amendment on May 29, 2020.  
22<sup>nd</sup> amendment on July 30, 2021.  
23<sup>rd</sup> amendment on May 27, 2022.

APEX Biotechnology Corp.

Chairman: Thomas Shen

## **Rules and Procedures for Shareholder Meetings**

Article 1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Article 2. This Corporation 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 or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.

This Corporation 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 regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders

meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation 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 this Corporation before five 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 this Corporation, 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 this Corporation before two 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. This Corporation 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. This Corporation 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.

A shareholder is required to submit attendance cards in lieu of signing in when attending the meeting. The number of Shares represented by Shareholders attending the general meeting shall be calculated in accordance with the number of attendance cards submitted by Shareholders in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 5. Attendance at shareholders' meetings shall be calculated based on numbers of shares.

Article 6. 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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 7. 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 managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or 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 chairperson of the board in person and a majority of the directors attended in person, 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 select a chair from among themselves.

Article 8. 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 9. This Corporation, 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 10. 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.

The chair shall call the meeting to order at the appointed meeting time and provide the information of non-voting right and number of shares attended.

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 one 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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 11. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). 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. After a meeting is adjourned, Shareholders shall not elect a chairman and resume the meeting at the same or another venue; 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.

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, call for a vote, and schedule sufficient time for voting.

Article 12. 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.

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 13. 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 14. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

Article 16. 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 this Corporation, 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 three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 17. 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 the Company.

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 at the meeting and a record made of the vote.

Article 18. 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.

When this Corporation holds a shareholder 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 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 this Corporation 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 this Corporation before two 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 this Corporation, by the same means by which the voting rights were exercised, before two 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 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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered to the MOPS.

Article 19. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected as well as the name of director that failed in the election and the number of votes they obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody 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 21. 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.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a

summary of the deliberations and their voting results (including the number of voting rights) and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

Article 22. On the day of a shareholders meeting, this Corporation 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 (or Taipei Exchange) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed period.

Article 23. 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 bearing the word "Proctor."

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 this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 24. 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 five days in accordance with Article 182 of the Company Act.

Article 25. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

(Appendix 8)

## Apex Biotechnology Corporation

### Shareholding of Directors

Book closure date: April 2, 2023

Position	Name	Current shareholding	
		Shares	Shareholding ratio (%)
Chairman	Thomas Shen	9,744,579	9.75%
Director	Mark Yang	281,920	0.28%
Independent Director	I-Tan, Chih	0	0%
Independent Director	Pai Jeng Ming	0	0%
Independent Director	Bou, Jin-Chang	0	0%
Independent Director	Yung-Luh, Tsaih	0	0%
Total shares of shareholding of all directors		10,026,499	10.03%

1. Type of Share: Ordinary Shares
2. Total Issued shares: 99,950,192
3. The minimum required combined shareholding of all directors by law: 7,996,015
4. The Company has set up an Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.
5. As the Company has four independent directors, the shareholding shall be reduced to 80 percent in accordance with the article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.