

Stock Code:1733

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

Company website : www.apexbio.com.tw



Handbook for the 2021 Annual Meeting of Shareholders (Translation)

Meeting Time: May 28, 2021

Place: No. 7, Li-Hsin 5th Rd., Hsinchu Science Park, Hsinchu,
Taiwan 30078 (Meeting room 101)

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APEX Biotechnology Corp.

Procedure for the 2021 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Proposal Items
5. Discussion Items
6. Director Elections
7. Other Matters
8. Extempore Motions
9. Meeting Adjournment

APEX Biotechnology Corp.

Agenda of 2021 Annual Meeting of Shareholders

Meeting Time : 9:00 a.m. on May 28th, 2021

Meeting Place: No. 7, Li-Hsin 5th Rd., Hsinchu Science Park, Hsinchu, Taiwan 30078, ROC (Meeting Room 101)

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 2020
- (2) The Audit Committee's review report of 2020
- (3) Report the 3rd domestic unsecured convertible bonds transferring
- (4) Implementation of Treasury shares buyback program
- (5) Report 2020 employees' profit sharing bonus and directors' compensation
- (6) The status of conducting 2020 Private Placements of securities

4. Proposal Items

- (1) Adoption of the 2020 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2020 profits

5. Discussion Items

- (1) Proposal of legal reserve distribution in cash
- (2) Amendments to the "Articles of Incorporation"
- (3) Amendments to the "Rules of Procedures for Shareholder Meetings"
- (4) Amendments to the "Rules for Director Elections"

6. Director Elections

Re-election of the directors

7. Other Matters

Release the prohibition on the newly elected directors and their representatives of the fourth term from participation in competitive business.

8. Extempore Motions

9. Meeting Adjournment

Report Items

1. Business report of 2020

Explanation: Please refer to Appendix 1 (page 12).

2. The Audit Committee's review report of 2020

Explanation: Please refer to Appendix 2 (page 14)

3. Report the 3rd domestic unsecured convertible bonds transferring

Explanation: Please refer to Appendix 3 (page 15)

4. Implementation of Treasury shares buyback program

Explanation: Please refer to Appendix 4 (page 15)

5. Report 2020 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 (including adjustments to the amount of undistribution shall be reserved in advance.
- (2) The Company distribute the 2020 employees' profit sharing bonus of 7.07% at an amount of NT\$8,489,396 and 1% at an amount of NT\$1,201,018 to Directors in cash.

6. The status of conducting 2020 Private Placements of securities

Explanation:

- (1) The Privately Placed ordinary shares was resolved at the Annual General Meeting of shareholders on May 29th, 2020 and the Board of Directors be authorized to issue up to 35,000,000 ordinary shares in the Proposed Private Placement within one year in two phases starting from the date of approval by members in the General meeting of Company.
- (2) Due to lack of qualified strategic investor can be found as of now, the private placement of ordinary shares has not been implemented yet. As a result, it has been determined termination through the resolution of 19th meeting for the 8th Board of Director.

Proposal Items

1.

Proposed by the Board

Proposal:

Adoption of the 2020 Business Report and Financial Statements

Explanation:

- (1) The 2020 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, Tung-Hui Yeh and Yih-Shin Kao of Deloitte Touche Tohmatsu Limited. Also, Business Report have been approved by the Board and examined by the Audit Committee.
- (2) For the 2020 Business Report, Independent auditors' audit report, and the Financial Statements, please refer to page 12 and page 16 to page 36.

Resolution:

2.

Proposed by the Board

Proposal:

Adoption of the proposal for distribution of 2020 profits

Explanation:

- (1) The Distributable of net profit in 2020 are NT\$ 0.91 per cash share.
- (2) Please refer to page 37 for the Profit Distribution Proposal.
- (3) 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.
- (4) 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.
- (5) After the approval of this motion by the general shareholders' meeting, the Chairman of the Board shall set a base date of distribution.

Resolution:

Discussion Items

1.

Proposed by the Board

Proposal:

Proposal of legal reserve distribution in cash.

Explanation:

- (1) According to Article 241 of the Company Act, “Where a company incurs no loss, it may distribute its legal reserve by cash as dividend shares to its original shareholders in proportion to the number of shares being held; Where legal reserve is distributed by cash, only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed”.
- (2) The Company is to distribute approximately NT\$0.19 per share in cash to the shareholders, in accordance with their holdings recorded in the shareholder list on the base date of distribution, using the Company’s legal reserve of NT\$18,881,666.
- (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.
- (4) The legal reserve 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 legal reserve cash dividends amount.
- (5) After the approval of this motion by the general shareholders’ meeting, the Chairman of the Board shall set a base date of distribution.

Resolution:

2.

Proposed by the Board

Proposal:

Amendments to the “Articles of Incorporation”.

Explanation:

- (1) Due to Ministry of Economic Affairs issued the revised “Table of Company and Limited Partnership Business Item Code” and to cooperate with the new potential business for the company in the future, the business items are revised and added.
- (2) Please refer to page 38 for details.

Resolution:

3.

Proposed by the Board

Proposal:

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

Explanation:

- (1) Amendments to the Article 2, Article 10 and Article 20 of the Rules of Procedures for Shareholder Meetings in accordance with the ruling (Tai-Zheng-Zhi-Li No. 1090009468 and 1100001446) from Taiwan Stock Exchange Corporation.
- (2) Please refer to page 40 to page 42 for details.

Resolution:

4.

Proposed by the Board

Proposal:

Amendments to the “Rules for Director Elections”.

Explanation:

- (1) Amendments to the Article 4, and Article 9-16 of the Rules of Director Elections in accordance with the ruling (Tai-Zheng-Zhi-Li No. 1090009468) from Taiwan Stock Exchange Corporation.
- (2) Please refer to page 43 to page 44 for details.

Resolution:

Director Elections

1.

Proposed by the Board

Proposal:

Re-election of the directors

Explanation:

- (1) The term of current directors in the company expires on May 24th, 2021, and re-election shall be carried out in the general shareholder's meeting this time according to law.
- (2) According to the regulations of Article 20 and Article 20-1 in the "Article of Incorporation" for the company, six directors shall be elected (including 4 independent directors). It adopts the system of candidate nomination and the term of the post will be three years from May 28th, 2021 to May 27th, 2024. The term for the current directors shall be terminated when the general shareholder's meeting finished this time.
- (3) The list of candidates for directors (including independent directors) is provided below:

Candidate for Director	1		2	
Name	Thomas Shen		Mark Yang	
Educational Background	Ph.D. in Biochemistry and Molecular Biology, University of Massachusetts, USA		The executive Master of Business Administration, National Chiao Tung University	
Present Job	-Chairman and President of APEX Biotechnology Corp. -Supervisor of Shengda Venture Investment Co., Ltd. -Representative of legal director of Lytone Enterprise, Inc.		-Vice President of APEX Biotechnology Corp.	
Work Experience	-President of Metertech Inc. -Professor of National Tsing Hua University		-Assistant Vice President of Metertech Inc.	
Candidate for independent director	1	2	3	4
Name	I-Tan, Chih	Pai Jeng Ming	Bou, Jin-Chang	Yung-Luh, Tsaih
Educational background	Department of Accounting, National Chung Hsin University	Master of Business Administration, National Chengchi University	Master of Business Administration, The City University of New York	Master of Business Administration, University of Missouri
Current Positions	-CPA of Cyuan Yi CPA Firm -Sole director of New Cyuan Investment Ltd.	-Chairman of Bi-Sonic Technology Corp. -Chairman of Bi-Sonic Thermal Module Technology Corp.	-Supervisor of Macauto Industrial Co., Ltd. -Supervisor of Loyal Fidelity Aerospace Corp. -Director of Hwua Yiang Investment Corp.	-Independent director of Syncmold Enterprise Co., Ltd.
Major Past Positions	-Manager of Deloitte &	-Chairman of Hwa-Tek	- Supervisor of Syncmold	- Vice President of

	Touche	Material Co., Ltd	Enterprise Co., Ltd.	Underwriting Department at Fubon Securities Co., Ltd.
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Voting Results:

Other Matters

1.

Proposed by the Board

Proposal:

Release the prohibition on the newly elected directors and their representatives from participation in competitive business.

Explanation:

- (1) According to Article 209 of the Company Act., a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval.
- (2) In order to be supported by the specialty and relevant experience of the directors in our company, it is proposed to the shareholder's meeting for the agreement of cancelling the limitation of competition prohibition on the new directors and their representatives under the condition of none of our company's interests is damaged.
- (3) Please refer to below list for the content of competition acts of directors to be removed in this shareholders meeting.

Job Title	Name	Current positions at other companies
Director	Thomas Shen	Supervisor of Shengda Venture Investment Co., Ltd. Representative of legal director of Lytone Enterprise, Inc.
Independent director	I-Tan, Chih	CPA of Cyuan Yi CPA Firm Sole director of New Cyuan Investment Ltd.
Independent director	Pai Jeng Ming	Chairman of Bi-Sonic Technology Corp. Chairman of Bi-Sonic Thermal Module Technology Corp.
Independent director	Bou, Jin-Chang	Supervisor of Macauto Industrial Co., Ltd. Supervisor of Loyal Fidelity Aerospace Corp. Director of Hwua Yiang Investment Corp.
Independent director	Yung-Luh, Tsaih	Independent director of Syncmold Enterprise Co., Ltd.

Extempore Motions

Meeting Adjournment

Appendices

(Appendix 1)

Business Report

1. 2020 Business Results:

(In Thousands of New Taiwan Dollars)

Annualized	FY2020	FY2019	Increase/Decrease	%
Operating Revenue	2,005,337	2,198,862	-193,525	-8.80%
Gross Profit	452,224	590,577	-138,353	-23.43%
Operating expenses	348,896	387,301	-38,405	-9.92%
Net Operating Income	103,328	203,276	-99,948	-49.17%
Net Income After Tax	94,629	112,978	-18,349	-16.24%

Total revenue in 2020 was NT\$2,005,337 thousand, with an 8.8% decrease from NT\$2,198,862 thousand in 2019, Net income after tax in 2020 was NT\$94,629 thousand, which was a decrease of NT\$18,349 from NT\$112,978 thousand in 2019. Since the outbreak of the COVID-19 pandemic in January 2020, it has spread all over the world and has continued to this day, severely affecting international economics, as well as the Company's product promotion and client demands. Also, the European project has entered Phase IV Clinical Trial where the milestone payment is less than that in 2019, resulting in poorer operating performance in 2020 than in 2019.

2. Research and Development Status

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

	2020	2019	2018
R&D Expense	150,771	155,123	116,382
Ratios of R&D expense to net operating revenue (%)	7.52%	7.05%	5.69%

(2) New product to be developed :

- A. Long-distance transmission instruments (Wifi/BLE)
- B. APP/Cloud Health Management inventor
- C. Multi-functional Biochemical instruments (G/C/T/U/MA/CA/GA)
- D. HbA1c Analyzer in homecare
- E. Multifunctional cholesterol test kit
- F. Professional blood glucose/ketone network tester for hospital
- G. Continuous blood glucose monitoring systems separately for homeuse and Hospital (ICU) use

3. Future development strategies

- (1) Stably manage products in strategic cooperation with clients and strengthen the operation performance management of subsidiaries.
- (2) Actively develop diversified new products, new clients, sales channels and markets.
- (3) Internally, continue to merge vertically and horizontally in order to enhance operating scale and efficiency. °

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 2020. Tung-Hui Yeh and Yih-Shin Kao, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The 2020 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. 26, 2021

(Appendix 3)

The status of 3rd domestic unsecured convertible bonds transferring.

Type of bond	3 rd domestic unsecured convertible bond
Issued Date	May 24 th , 2018
Nominal amount issued	NT\$100,000
Issued price	Issuance according to the par value
Total	NT\$400,000,000
Par interest rate	0%
The term	Three-year term, Expiry date: May 24 th , 2021
Reason for Raising	1.repayment of principal and interest for 2 nd domestic unsecured convertible bond. 2.Enrich capital operation.
Outstanding principle	NT\$391,800,000
The status of convertible bond as of Mar. 31 st 2021	Number of common shares converted: 259,488 shares

(Appendix 4)

Implementation of treasury shares buyback program

Serial Number of Repurchase	4	5
Purpose of buyback	buyback shares for transferring to employees	buyback shares for transferring to employees
Buyback period	Jun. 5 th , 2017 to Aug. 2 nd , 2017	Mar. 20 th , 2020 to May 18 th , 2020
The price range for buybacks	NT\$24 to NT\$55	NT\$21 to NT\$32
The number of shares bought back	36,000 Common shares	573,000 Common shares
Total value of shares bought back	NT\$1,180,950	NT\$12,245,800
The ratio of the number of treasury shares repurchased to the planned number of repurchase (%)	3.6%	57.3%
The number of stocks that have already been canceled and transferred	36,000 shares	0 shares
The accumulated number of corporate stocks	---	573,000 shares
The ratio of the accumulated number of corporate stocks to the total number of issued stocks	---	0.573%
Remark	Date of Cancellation and Ref. No.: July 17 th , 2020 and Chu-Shang No. 1090020236	

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Apex Biotechnology Corp.

Opinion

We have audited the accompanying parent company only financial statements of Apex Biotechnology Corp. (the "Company") which comprise the parent company only balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. 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, 2020 are stated as follows:

Revenue Recognition

For the year ended December 31, 2020, the net operating revenue was NT\$1,874,087 thousand, for accounting policies and information related to revenue recognition, please refer to notes 4 and 22 to the parent company only financial statements. Revenue recognition is a risk preset in Statements of Auditing Standards. Because the Company's customers were relatively concentrated, for customers whose transaction amount and gross margin change over the two years are obviously abnormal, recognition of their revenue was identified as a key audit matter.

We have performed the main audit procedures for the above matters as follows:

1. Understand and test the design and operating effectiveness of the internal controls related to the process of revenue.
2. Perform authenticity audit for major customers, analyze the changes of major customers over the two years, and evaluate the reasonableness of their revenue and days sales outstanding.
3. For testing sales revenue transactions, we selected relevant documents and collection records from the ledger records, to verify the correctness of revenue recognize.
4. Review the significant sales returns and discounts after the balance sheet date which were not caused by the events in 2020, to avoid affecting the misstatements of 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 2020 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 Tung Hui Yeh and Yih Shin Kao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2021

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 CORP.**PARENT COMPANY ONLY BALANCE SHEETS****DECEMBER 31, 2020 AND 2019**

(In Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
ASSETS	Note	Amount	%	Amount	%	LIABILITIES AND EQUITY	Note	Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4,6	\$ 757,014	29	\$ 634,384	24	Contract liabilities-current	4,22	\$ 41,458	2	20,745	1
Financial assets at fair value through profit or loss-current	4,7	36,013	1	29,387	1	Notes payable	17	58,087	2	55,570	2
Financial assets at amortized cost-current	4,8,30	-	-	119,920	4	Accounts payable	17,29	177,029	7	207,245	8
Notes and accounts receivable, net	4,5,9	301,099	12	417,092	16	Other payables	18,29	112,701	4	118,189	5
Notes and accounts receivable from related parties, net	4,29	35,409	1	39,978	1	Current tax liabilities	4,24	70,278	3	87,952	3
Other receivables	9,29	8,835	-	9,452	-	Current provisions	19	8,582	-	7,827	-
Other receivables from related parties	29	82,686	3	-	-	Lease liabilities-current	4,5,13	3,947	-	3,499	-
Inventories	4,5,10	479,456	18	462,059	17	Bonds payable, current portion	16	389,875	15	-	-
Other current assets	15	<u>12,824</u>	<u>1</u>	<u>13,400</u>	<u>1</u>	Other current liabilities	18	<u>2,694</u>	<u>-</u>	<u>2,580</u>	<u>-</u>
Total current assets		<u>1,713,336</u>	<u>65</u>	<u>1,723,672</u>	<u>64</u>	Total current liabilities		<u>864,651</u>	<u>33</u>	<u>503,607</u>	<u>19</u>
Non-current assets						Non-current liabilities					
Financial assets at amortized cost-noncurrent	4,8,30	6,200	-	6,200	-	Bonds payables	4,16	-	-	385,046	14
Investments accounted for using equity method	4,11	61,737	2	73,861	3	Deferred tax liabilities	4,24	1,178	-	548	-
Property, plant and equipment	4,12	706,512	27	734,898	27	Lease liabilities-noncurrent	4,5,13	118,280	4	120,783	5
Right-of-use assets	4,5,13	119,072	5	122,672	5	Net defined benefit liability-noncurrent	4,20	1,871	-	7,886	-
Intangible assets	4,14	20,980	-	21,874	1	Guarantee deposits received		<u>29</u>	<u>-</u>	<u>27</u>	<u>-</u>
Deferred tax assets	4,24	2,386	-	5,510	-	Total non-current liabilities		<u>121,358</u>	<u>4</u>	<u>514,290</u>	<u>19</u>
Prepayments for business facilities		469	-	4,367	-	Total liabilities		<u>986,009</u>	<u>37</u>	<u>1,017,897</u>	<u>38</u>
Refundable deposits		<u>703</u>	<u>-</u>	<u>635</u>	<u>-</u>						
Total non-current assets		<u>918,059</u>	<u>35</u>	<u>970,017</u>	<u>36</u>	Equity	4,21				
						Ordinary shares		<u>999,502</u>	<u>38</u>	<u>999,862</u>	<u>37</u>
						Capital surplus		<u>66,776</u>	<u>3</u>	<u>67,597</u>	<u>3</u>
						Retained earnings					
						Legal reserve		486,328	18	474,942	17
						Unappropriated retained earnings		<u>100,576</u>	<u>4</u>	<u>126,589</u>	<u>5</u>
						Total retained earnings		<u>586,904</u>	<u>22</u>	<u>601,531</u>	<u>22</u>
						Other equity		<u>4,450</u>	<u>-</u>	<u>7,983</u>	<u>-</u>
						Treasury shares		<u>(12,246)</u>	<u>-</u>	<u>(1,181)</u>	<u>-</u>
						Total equity		<u>1,645,386</u>	<u>63</u>	<u>1,675,792</u>	<u>62</u>
Total assets		<u>\$ 2,631,395</u>	<u>100</u>	<u>\$ 2,693,689</u>	<u>100</u>	Total liabilities and equity		<u>\$ 2,631,395</u>	<u>100</u>	<u>\$ 2,693,689</u>	<u>100</u>

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

APEX BIOTECHNOLOGY CORP.**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

			2020		2019
	Note	Amount	%	Amount	%
NET OPERATING REVENUE	4,22,29	\$ 1,874,087	100	\$ 2,161,406	100
OPERATING COSTS	4,10,23,29	1,488,563	79	1,598,099	74
UNREALIZED GROSS LOSS(PROFIT) ON SALES	4	8,121	-	(16,290)	(1)
GROSS PROFIT		393,645	21	547,017	25
OPERATING EXPENSES	20,23,29				
Selling and marketing expenses		43,003	2	47,206	2
General and administrative expenses		72,826	4	72,480	4
Research and development expenses		150,771	8	155,123	7
Total operating expenses		266,600	14	274,809	13
INCOME FROM OPERATIONS		127,045	7	272,208	12
NON-OPERATING INCOME AND EXPENSES					
Interest income	23,29	2,466	-	2,198	-
Other income	4,23,26	1,676	-	1,700	-
Other gains and losses	4,23	4,622	-	(25,592)	(1)
Finance costs	23	(8,685)	-	(8,581)	-
Share of loss of subsidiaries accounted for using equity method	4,5,11	(16,712)	(1)	(77,811)	(4)
Total non-operating income and expenses		(16,633)	(1)	(108,086)	(5)
INCOME BEFORE INCOME TAX		110,412		164,122	7
INCOME TAX EXPENSE	4,24	15,617	1	50,263	2
NET INCOME		94,795	5	113,859	5

(Continued)

			<u>2020</u>		<u>2019</u>
	<u>Note</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)	4,20,21				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plan		\$ 523	-	(\$ 1,709)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(3,533)	-	(1,591)	-
Other comprehensive income(loss) for the year, net of income tax		(3,010)	-	(3,300)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 91,785</u>	<u>5</u>	<u>\$ 110,559</u>	<u>5</u>
EARNINGS PER SHARE	25				
Basic		<u>\$ 0.95</u>		<u>\$ 1.14</u>	
Diluted		<u>\$ 0.87</u>		<u>\$ 1.04</u>	

(Concluded)

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

APEX BIOTECHNOLOGY CORP.**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity		
	Shares (In Thousands)	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2019	99,726	\$ 997,267	\$ 62,209	\$ 465,430	\$ 3,940	\$ 104,748	\$ 9,574	(\$ 1,181)	\$ 1,641,987
Appropriation of 2018 earnings									
Legal reserve	-	-	-	9,512	-	(9,512)	-	-	-
Reversal of special reserve	-	-	-	-	(3,940)	3,940	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(84,737)	-	-	(84,737)
Conversion of convertible bonds	260	2,595	5,388	-	-	-	-	-	7,983
Net income in 2019	-	-	-	-	-	113,859	-	-	113,859
Other comprehensive income (loss) in 2019, net of income tax	-	-	-	-	-	(1,709)	(1,591)	-	(3,300)
Total comprehensive income in 2019	-	-	-	-	-	112,150	(1,591)	-	110,559
BALANCE AT DECEMBER 31, 2019	99,986	999,862	67,597	47	-	126,589		(1,181)	1,675,
Appropriation of 2019 earnings									
Legal reserve	-	-	-	11,386	-	(11,386)	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(109,945)	-	-	(109,945)
Net income in 2020	-	-	-	-	-	94,795	-	-	94,795
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	523	(3,533)	-	(3,010)
Total comprehensive income in 2020	-	-	-	-	-	95,318	(3,533)	-	91,785
Purchase of treasury shares	-	-	-	-	-	-	-	(12,246)	(12,246)
Retirement of treasury shares	(36)	(360)	(821)	-	-	-	-	1,181	-
BALANCE AT DECEMBER 31, 2020	99,950	\$ 999,502	\$ 66,776	\$ 486,328	\$ -	\$ 100,576	\$ 4,450	(\$ 12,246)	\$ 1,645,386

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

APEX BIOTECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 110,412	\$ 164,122
Adjustments for:		
Depreciation expense	77,863	84,720
Amortization expense	3,968	3,930
Net loss (gain) on financial assets at fair value through profit or loss	(6,796)	1,946
Finance costs	8,685	8,581
Interest income	(2,466)	(2,198)
Dividend income	(333)	(281)
Share of loss of subsidiaries accounted for using equity method	16,712	77,811
Property, plant and equipment transferred to expenses	1,204	981
Impairment loss on non-financial assets	17,000	16,200
Unrealized profit (loss) from sales	(8,121)	16,290
Unrealized foreign exchange loss	5,044	10,567
Other adjustments to reconcile profit (loss)	755	287
Changes in operating assets and liabilities		
Notes and accounts receivable	115,473	33,388
Notes and accounts receivable from related parties	1,882	22,774
Other receivable	480	361
Other receivable from related parties	(86,796)	-
Inventories	(34,397)	133,030
Other current assets	576	6,379
Contract liabilities	20,713	15,475
Notes payable	2,517	(35,301)
Accounts payable	(29,511)	38,493
Other payables	(5,600)	(2,385)
Other current liabilities	114	193
Net defined benefit liabilities	(5,492)	(5,343)
Cash generated from operations	203,886	590,020

(Continued)

	<u>2020</u>	<u>2019</u>
Interest received	\$ 2,508	\$ 2,190
Dividend received	333	281
Interest paid	(3,856)	(3,788)
Income taxes paid	(29,537)	(35,998)
Net cash generated from operating activities	<u>173,334</u>	<u>552,705</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	-	(129,215)
Proceeds from disposal of financial assets at amortized cost	123,015	52,393
Acquisition of financial assets at fair value through profit or loss	(275,000)	(355,540)
Proceeds from disposal of financial assets at fair value through profit or loss	275,170	355,755
Proceeds from disposal of investments accounted for using equity method	-	411
Acquisition of property, plant and equipment	(45,214)	(54,048)
Decrease(Increase) in refundable deposits	(68)	186
Acquisition of intangible assets	(3,074)	(1,511)
Decrease in prepayments for business facilities	<u>3,898</u>	<u>206</u>
Net cash generated from (used in) investing activities	<u>78,727</u>	<u>(131,363)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	200,000	20,000
Decrease in short-term loans	(200,000)	(20,000)
Increase in guarantee deposits received	2	-
Payments of lease liabilities	(3,810)	(5,818)
Cash dividends paid	(109,945)	(84,737)
Payments to acquire treasury shares	<u>(12,246)</u>	<u>-</u>
Net cash used in financing activities	<u>(125,999)</u>	<u>(90,555)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(3,432)</u>	<u>(2,475)</u>
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS	122,630	328,312
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>634,384</u>	<u>306,072</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 757,014</u></u>	<u><u>\$ 634,384</u></u>
		(Concluded)

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

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Apex Biotechnology Corp. as of and for the year ended December 31, 2020, 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 Corp. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Apex Biotechnology Corp.

Chairman : Thomas Shen

March 26, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Apex Biotechnology Corp.

Opinion

We have audited the accompanying consolidated financial statements of Apex Biotechnology Corp. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2020. 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, 2020 are stated as follows:

Revenue Recognition

For the year ended December 31, 2020, the net operating revenue was NT\$2,005,337 thousand, for accounting policies and information related to revenue recognition, please refer to notes 4 and 23 to the consolidated financial statements. Revenue recognition is a risk preset in Statements of Auditing Standards. Because the Company's customers were relatively concentrated, for customers whose transaction amount and gross margin change over the two years are obviously abnormal, recognition of their revenue was identified as a key audit matter.

We have performed the main audit procedures for the above matters as follows:

1. Understand and test the design and operating effectiveness of the internal controls related to the process of revenue.
2. Perform authenticity audit for major customers, analyze the changes of major customers over the two years, and evaluate the reasonableness of their revenue and days sales outstanding.
3. For testing sales revenue transactions, we selected relevant documents and collection records from the ledger records, to verify the correctness of revenue recognize.
4. Review the significant sales returns and discounts after the balance sheet date which were not caused by the events in 2020, to avoid affecting the misstatements of revenue.

Other Matter

We have also audited the parent company only financial statements of Apex Biotechnology Corp. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 2020, 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 Tung Hui-Yeh and Yih-Shin Kao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2021

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 CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
ASSETS	Note	Amount	%	Amount	%	LIABILITIES AND EQUITY	Note	Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4,6	\$ 786,945	30	\$ 653,697	23	Short-term loans	16	\$ -	-	98,934	4
Financial assets at fair value through profit or loss-current	4,7	36,013	1	29,387	1	Contract liabilities-current	4,23	\$ 42,610	2	20,772	1
Financial assets at amortized cost-current	4,8	-	-	119,920	4	Notes payable	18	58,087	2	55,570	2
Notes and accounts receivable, net	4,5,9	325,406	12	436,376	16	Accounts payable	18,30	186,908	7	218,156	8
Other receivables	9	17,277	1	9,663	-	Other payables	19,30	118,832	4	124,268	4
Inventories	4,5,10	504,535	19	514,306	18	Current tax liabilities	4,25	70,278	3	87,952	3
Other current assets	15	14,296	1	14,389	1	Current provisions	20	8,582	-	7,827	-
Total current assets		1,684,472	64	1,777,738	63	Lease liabilities-current	4,5,13	5,560	-	5,220	-
						Bonds payable, current portion	4,17	389,875	15	-	-
						Other current liabilities	19	2,694	-	2,581	-
						Total current liabilities		883,426	33	621,280	22
Non-current assets						Non-current liabilities					
Financial assets at amortized cost-noncurrent	4,8,31	6,200	-	6,200	-	Bonds payables	4,17	-	-	385,046	14
Property, plant and equipment	4,12	707,239	27	736,297	26	Deferred tax liabilities	4,25	1,214	-	548	-
Right-of-use assets	4,5,13	120,567	4	125,963	5	Lease liabilities-noncurrent	4,5,13	118,280	5	122,480	4
Intangible assets	4,5,14	128,920	-	156,801	6	Net defined benefit liability-noncurrent	4,21	1,871	-	7,886	-
Deferred tax assets	4,25	2,386	-	5,510	-	Guarantee deposits received		484	-	130	-
Prepayments for business facilities		469	-	4,366	-	Total non-current liabilities		121,849	5	516,090	18
Refundable deposits		1,189	-	1,274	-	Total liabilities		1,005,275	38	1,137,370	40
Total non-current assets		966,970	36	1,036,411	37	Equity attributable to shareholders of the parent	4,22				
						Ordinary shares		999,502	38	999,862	36
						Capital surplus		66,776	2	67,597	3
						Retained earnings					
						Legal reserve		486,328	18	474,942	17
						Unappropriated retained earnings		100,576	4	126,589	4
						Total retained earnings		586,904	22	601,531	21
						Other equity		4,450	-	7,983	-
						Treasury shares		(12,246)	-	(1,181)	-
						Equity attributable to shareholders of the parent		1,645,386	62	1,675,792	60
						Non-controlling interests	22	781	-	987	-
						Total equity		1,646,167	62	1,676,779	60
Total assets		<u>\$2,651,442</u>	<u>100</u>	<u>\$2,814,149</u>	<u>100</u>	Total liabilities and equity		<u>\$2,651,442</u>	<u>100</u>	<u>\$2,814,149</u>	<u>100</u>

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

APEX BIOTECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

			2020		2019
	Note	Amount	%	Amount	%
NET OPERATING REVENUE	4,23,30	\$ 2,005,337	100	\$ 2,198,862	100
OPERATING COSTS	4,10,24,30	<u>1,553,113</u>	<u>78</u>	<u>1,608,285</u>	<u>73</u>
GROSS PROFIT		<u>452,224</u>	<u>22</u>	<u>590,577</u>	<u>27</u>
OPERATING EXPENSES	24,30				
Selling and marketing expenses		97,885	5	121,968	6
General and administrative expenses		100,602	5	109,870	5
Research and development expenses		150,771	7	155,123	7
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		<u>(362)</u>	<u>-</u>	<u>340</u>	<u>-</u>
Total operating expenses		<u>348,896</u>	<u>17</u>	<u>387,301</u>	<u>18</u>
INCOME FROM OPERATIONS		<u>103,328</u>	<u>5</u>	<u>203,276</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES					
Interest income	4,24	2,389	-	2,214	-
Other income	4,24,27	10,622	1	1,890	-
Other gains and losses	4,24	4,551	-	(34,815)	(2)
Finance costs	24	<u>(10,275)</u>	<u>-</u>	<u>(9,625)</u>	<u>-</u>
Total non-operating income and expenses		<u>7,287</u>	<u>1</u>	<u>(40,336)</u>	<u>(2)</u>
INCOME BEFORE INCOME TAX		110,615		162,940	7
INCOME TAX EXPENSE	4,25	<u>15,986</u>	<u>1</u>	<u>49,962</u>	<u>2</u>
NET INCOME		<u>94,629</u>	<u>5</u>	<u>112,978</u>	<u>5</u>

(Continued)

			<u>2020</u>		<u>2019</u>
	<u>Note</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 plan		\$ 523	-	(\$ 1,709)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(3,573)	-	(1,609)	-
Other comprehensive income(loss) for the year, net of income tax		(3,050)	-	(3,318)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 91,579</u>	<u>5</u>	<u>\$ 109,660</u>	<u>5</u>
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 94,795	5	\$ 113,859	5
Non-controlling interests		(166)	-	(881)	-
		<u>\$ 94,629</u>	<u>5</u>	<u>\$ 112,978</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 91,785	5	\$ 110,559	5
Non-controlling interests		(206)	-	(899)	-
		<u>\$ 91,579</u>	<u>5</u>	<u>\$ 109,660</u>	<u>5</u>
EARNINGS PER SHARE	26				
Basic		<u>\$ 0.95</u>		<u>\$ 1.14</u>	
Diluted		<u>\$ 0.87</u>		<u>\$ 1.04</u>	

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

(Concluded)

APEX BIOTECHNOLOGY CORP. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Share Capital		Retained Earnings				Other Equity				
	Shares					Unappropriated	Exchange			Non-controlling	
	(In thousands)	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Earnings	Differences on	Translating		interests	Total Equity
							Foreign	Treasury Shares	Total		
							Operations				
BALANCE AT JANUARY 1, 2019	99,726	\$ 997,267	\$ 62,209	\$ 465,340	\$ 3,940	\$ 104,748	\$ 9,574	(\$ 1,181)	\$ 1,641,987	\$ 1,886	\$ 1,643,873
Appropriation of 2018 earnings											
Legal reserve	-	-	-	9,512	-	(9,512)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(3,940)	3,940	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(84,737)	-	-	(84,737)	-	(84,737)
Conversion of convertible bonds	260	2,595	5,388	-	-	-	-	-	7,983	-	7,983
Net income in 2019	-	-	-	-	-	113,859	-	-	113,859	(881)	112,978
Other comprehensive income (loss) in 2019, net of income tax	-	-	-	-	-	(1,709)	(1,591)	-	(3,300)	(18)	(3,318)
Total comprehensive income in 2019	-	-	-	-	-	112,150	(1,591)	-	110,559	(899)	109,660
BALANCE AT DECEMBER 31, 2019	99,986	999,862	67,597	474,942	-	126,589	7,983	(1,181)	1,675,792	987	1,676,779
Appropriation of 2019 earnings											
Legal reserve	-	-	-	11,386	-	(11,386)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(109,945)	-	-	(109,945)	-	(109,945)
Net income in 2020	-	-	-	-	-	94,795	-	-	94,795	(166)	94,629
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	523	(3,533)	-	(3,010)	(40)	(3,050)
Total comprehensive income in 2020	-	-	-	-	-	95,318	(3,533)	-	91,785	(206)	91,579
Purchase of treasury shares	-	-	-	-	-	-	-	(12,246)	(12,246)	-	(12,246)
Retirement of treasury shares	(36)	(360)	(821)	-	-	-	-	1,181	-	-	-
BALANCE AT DECEMBER 31, 2020	99,950	\$ 999,502	\$ 66,776	\$ 486,328	\$ -	\$ 100,576	\$ 4,450	(\$ 12,246)	\$ 1,645,386	\$ 781	\$ 1,646,167

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

APEX BIOTECHNOLOGY CORP.AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 110,615	\$ 162,940
Adjustments for:		
Depreciation expense	80,234	87,061
Amortization expense	24,964	29,138
Expected credit loss (gain)	(362)	340
Net loss (gain) on financial assets at fair value through profit or loss	(6,796)	1,946
Finance costs	10,275	9,625
Interest income	(2,389)	(2,214)
Dividend income	(333)	(281)
Property, plant and equipment transferred to expenses	1,204	981
Impairment loss on non-financial assets	18,767	16,200
Impairment loss on intangible assets	-	7,315
Unrealized foreign exchange loss(gain)	(512)	10,565
Other adjustments to reconcile profit (loss)	755	287
Changes in operating assets and liabilities		
Notes and accounts receivable	110,137	62,291
Other receivable	(7,751)	429
Inventories	(8,996)	111,973
Other current assets	93	7,974
Contract liabilities	21,838	15,478
Notes payable	2,517	(35,301)
Accounts payable	(30,543)	41,359
Other payables	(5,611)	(22,496)
Other current liabilities	113	194
Net defined benefit liabilities	(5,492)	(5,343)
Cash generated from operations	312,727	500,461
Interest received	2,526	2,206
Dividend received	333	281
Interest paid	(5,446)	(4,728)

(Continued)

	<u>2020</u>	<u>2019</u>
Income taxes paid	(\$ 29,537)	(\$ 35,697)
Net cash generated from operating activities	<u>280,603</u>	<u>462,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	-	(129,215)
Proceeds from disposal of financial assets at amortized cost	123,015	52,393
Acquisition of financial assets at fair value through profit or loss	(275,000)	(355,540)
Proceeds from disposal of financial assets at fair value through profit or loss	275,170	355,755
Acquisition of property, plant and equipment	(45,250)	(55,115)
Decrease in refundable deposits	70	360
Acquisition of intangible assets	(3,074)	(1,674)
Decrease in prepayments for business facilities	<u>3,897</u>	<u>207</u>
Net cash generated from (used in) investing activities	<u>78,828</u>	<u>(132,829)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	200,000	118,934
Decrease in short-term loans	(297,512)	(20,000)
Increase(Decrease) in guarantee deposits received	363	(10)
Payments of lease liabilities	(5,506)	(7,455)
Cash dividends paid	(109,945)	(84,737)
Payments to acquire treasury shares	<u>(12,246)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(224,846)</u>	<u>6,732</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(1,337)</u>	<u>(917)</u>
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS	133,248	335,509
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>653,697</u>	<u>318,188</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 786,945</u>	<u>\$ 653,697</u>
		(Concluded)

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

(Appendix 6)

APEX Biotechnology Corp.
2020 Profit Distribution Proposal

(New Taiwan Dollars)

Beginning Balance of retained earnings	5,257,070
Add: Net profit after tax	94,794,816
Recognition of remeasurement of defined benefit plans as retained earning	523,427
Net Profit after tax plus other items in the current period recognized as unappropriated earning for the year	95,318,243
-Less: 10% Legal Reserve	(9,531,824)
Unappropriated retained earnings	91,043,489
-Less: Distributable items:	
Cash Dividends to shareholders (NT\$0.91 per share)	(90,433,245)
Ending Balance of Undistribution Earning	610,244

Note 1. Priority distribution of year 2020.

Note 2. The Total dividend distribution to shareholders is calculated based on the 99,377,192 outstanding shares on Feb. 28th, 2021. (After deducting the bought back of 573,000 treasury shares).

Note 3. The Company shall distribute approximately NT\$0.19 per share in cash to the shareholders in accordance with their holdings recorded in the shareholder list on the base date of distribution, using the Company's legal reserve of NT\$18,881,666.

Note 4. The Company shall distribute NT\$1.10 per share in cash to the shareholders, in accordance with their holdings recorded in the shareholder list on the base date of distribution, using at total of NT\$109,314,911 of the unappropriated earning and legal reserve.

Apex Biotechnology Corporation

Comparison table for the amendments of the Articles of Incorporation

Article Number	Original Article	Amended Article	Reason for Amendment
Article 2	<p>The Scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> 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. CC01101 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. F401021 Retained Telecommunications- Radio-Frequency Devices and Materials Import 14. F113070 Wholesale Telecommunication Apparatus <p>《Research, Develop, Produce,</p>	<p>The Scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> 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. <u>CC01100 Controlled Telecommunications- Radio-Frequency Devices and Materials Manufacturing</u> 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. <u>F108021 Wholesale of Western Pharmaceutical</u> 15. <u>F208021 Retail Sale of Western Pharmaceutical</u> <p>《Research, Develop, Produce,</p>	<p>Due to Ministry of Economic Affairs issued the revised “Table of Company and Limited Partnership Business Item Code” and business needs for the company</p>

Article Number	Original Article	Amended Article	Reason for Amendment
	<p>Manufacture and Sell the following Products:</p> <p>(1) Biochemical inspection tester and its test piece</p> <p>(2) In vitro test reagents</p> <p>(3) Environmental Testing System</p> <p>(4) Nutrient Food</p> <p>(5) Protein Pharmaceutical Products</p> <p>(6) Western Medicine Type</p> <p>(7) Radio Transmitter</p> <p>(8) Radio Transceiver</p> <p>(9) Radio Receiver</p> <p>(10) Trading Business of the above related products》</p>	<p>Manufacture and Sell the following Products:</p> <p>(1) Biochemical inspection tester and its test piece</p> <p>(2) In vitro test reagents</p> <p>(3) Environmental Testing System</p> <p>(4) Nutrient Food</p> <p>(5) Protein Pharmaceutical Products</p> <p>(6) Western Medicine Type</p> <p>(7) Radio Transmitter</p> <p>(8) Radio Transceiver</p> <p>(9) Radio Receiver</p> <p>(10) Trading Business of the above related products》</p>	
Article 31	<p>The Articles of Incorporation were adopted on November 14, 1997, The first amendment on April 28, 1998, (Omitted)</p> <p>20th amendment on May 25, 2018.</p> <p>21st amendment on May 29, 2020.</p>	<p>The Articles of Incorporation were adopted on November 14, 1997, The first amendment on April 28, 1998, (Omitted)</p> <p>20th amendment on May 25, 2018.</p> <p>21st amendment on May 29, 2020.</p> <p><u>22nd amendment on May 28, 2021</u></p>	Newly revision date and Serial Number

(Appendix 8)

Apex Biotechnology Corporation

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

Original Article	Amended Article	Reason for Amendment
<p>Article 2: 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 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; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</p> <p>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.</p>	<p>Article 2: (Omitted) 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, <u>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</u> 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;</p> <p>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.</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1090009468 and No. 1100001446</p>

<p>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, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. 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.</p>	<p>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. <u>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.</u> (Omitted)</p>	
<p>Article 10. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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. (Omitted)</p>	<p>Article 10. The chair shall call the meeting to order at the appointed meeting time <u>and provide the information of non-voting right and number of shares attended.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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. (Omitted)</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1100001446</p>

<p>Article 20.</p> <p>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.</p> <p>(Omitted)</p>	<p>Article 20.</p> <p>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 <u>as well as the name of director that failed in the election and the number of votes they obtained.</u></p> <p>(Omitted)</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1100001446</p>
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(Appendix 9)

Apex Biotechnology Corporation

Comparison table for the amendments of Rules for Director Elections

Original Article	Amended Article	Reason for Amendment
<p>Article 4.</p> <p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>The Company shall review the qualifications, education, working experience, background and the existence of any other matter set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documents of other qualifications, it shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.</p> <p>(Omitted)</p>	<p>Article 4.</p> <p>Elections of directors at Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>(Omitted)</p>	<p>Amended in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1090009468</p>
<p>Article 9</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the candidate column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization juristic person shareholder, the name of the governmental organization or juristic person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the representative may be entered. When there are multiple</p>	<p>(Deleted)</p>	<p>Amended and deleted in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1090009468</p>

representatives, the names of each respective representative shall be entered.		
Article 10 (Omitted)	Article 9 (Omitted)	The numbering of this Article is changed.
<p>Article 11</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. Ballots which are not in compliance with these Guidelines. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. A candidate who is also a member whose account name and member number are inconsistent with the information recorded in the Register of members; where a candidate who is not a member, the name and identification number provided are inconsistent upon further verification. 5. Writing other than the name of the candidate or member number (identification number) and the number of votes entitled. 6. The name of the candidate proposed is the same as the name of another shareholder but failed to remark the account name (name) of the candidate or shareholder number (ID number) for identification. 7. Proposing two candidates or more on the same vote. 8. The total number of voting rights from the voters is more than the total number of voting rights held. 	<p>Article 10</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. <u>The ballot was not prepared by a person with the right to convene.</u> 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> 5. <u>Other words or marks are entered in addition to the number of voting rights allotted.</u> 6. Proposing two candidates or more on the same vote. 7. The total number of voting rights from the voters is more than the total number of voting rights held. 	<p>1. Amended in accordance with Taiwan Stock Exchange Corporation Tai-Zheng-Zhi-Li No. 1090009468</p> <p>2. The numbering of this Article is changed.</p>
Article 12 to Article 16 (Omitted)	Article 11 to Article 15 (Omitted)	The numbering of this Article is changed.

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) F401021 Retained Telecommunications Radio-Frequency Devices and Materials
Import
- (14) F113070 Wholesale Telecommunication Apparatus
《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 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.

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,

2nd amendment on June 23, 1998,

3rd amendment on December 8, 1998,

4th amendment on June 1, 1999,

5th amendment on May 16, 2000.

6th amendment on May 18, 2001.

7th amendment on May 16, 2002.

8th amendment on May 16, 2003.

9th amendment on May 14, 2004.

10th amendment on May 8, 2006.

11th amendment on June 13, 2007.

12th amendment on August 31, 2009.

13th amendment on May 21, 2010.

14th amendment on May 8, 2012.

15th amendment on May 10, 2013.

16th amendment on June 17, 2014.

17th amendment on June 9, 2015.

18th amendment on May 31, 2016.

19th amendment on June 2, 2017.

20th amendment on May 25, 2018.

21st amendment on May 29, 2020.

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 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; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

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, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. 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 share s 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. 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 into 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 or supervisors 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 supervisors and the numbers of votes with which they were elected.

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 GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time 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.

Rules for Director Elections

Article 1. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2. The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 3. The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with

Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 4. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5. The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.

Article 6. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7. Before election, the chairman shall appoint several vote watchers and vote counters to execute relevant duties. However, vote watchers shall also be the shareholders of the company.

Article 8. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9. The vote for independent directors and non-independent directors shall be carried out at the same time but be counted the votes and announced elected separately.

Article 10. The vote shall be regarded as invalid for any of the following situations:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

6. Proposing two candidates or more on the same vote.
 7. The total number of voting rights from the voters is more than the total number of voting rights held.
- Article 11. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 12. The board of directors of this Corporation shall issue notifications to the persons elected as directors.
- Article 13. The board of directors of this Corporation shall issue notifications to the persons elected as directors.
- Article 14. In case of any matters not covered herein, the Company Act, Article of Association and other related laws shall govern.
- Article 15. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Apex Biotechnology Corporation
Shareholding of Directors

Book closure date: Mar 30, 2021

Position	Name	Date elected	Term	Current shareholding	
				Shares	Shareholding ratio (%)
Chairman	Thomas Shen	107.05.25	3	9,744,579	9.75%
Director	Mark Yang	107.05.25	3	271,920	0.27%
Independent Director	I-Tan, Chih	107.05.25	3	0	0%
Independent Director	Pai Jeng Ming	107.05.25	3	0	0%
Independent Director	Bou, Jin-Chang	107.05.25	3	0	0%
Total shares of shareholding of all directors				10,016,499	10.02%

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 three 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”.