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

Company website : www.apexbio.com.tw



Handbook for the 2024 Annual Shareholders' Meeting (Translation)

Meeting Time: April 30, 2024

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

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APEX Biotechnology Corp.

Procedure for the 2024 Annual Shareholders' Meeting

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 2024 Annual Shareholders' Meeting

Meeting Time : 9:00 a.m. on April 30, 2024

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

Convening Method : Entity Meeting of Shareholders

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

2. Chairperson Remarks

3. Report Items

- (1) Business report of 2023
- (2) The Audit Committee's review report of 2023
- (3) Report 2023 employees' profit sharing bonus and directors' compensation
- (4) Report the distribution of 2023 profits

4. Proposal Items

- (1) Adoption of the 2023 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2023 profits

5. Discussion Items

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

6. Director Elections

Re-election of the directors

7. Other Matters

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

8. Extempore Motions

9. Meeting Adjournment

Report Items

1. Business report of 2023

Explanation: Please refer to Appendix 1 (page 10).

2. The Audit Committee's review report of 2023

Explanation: Please refer to Appendix 2 (page 12)

3. Report 2023 employees' profit-sharing bonus and directors' compensation

Explanation:

- (1) According to Paragraph 1, Article 27 of the Article of Incorporation of the Company, no less than 3% (for the employees) and no more than 1% (for the directors) of the profit before tax, before deduction of employee and director remuneration, shall be allocated for remuneration. However, given the situation that the Company still has accumulated losses shall be reserved first.
- (2) The Company distribute the 2023 employees' profit-sharing bonus of 7% at an amount of NT\$10,707,769 and 1% at an amount of NT\$1,529,681 to Directors in cash.

4. Report the distribution of 2023 profits

Explanation:

- (1)The net income of the Company in 2023 is NT\$115,783,107. After adding the remeasurement of defined benefit plans of NT\$3,073,291, deducting setting aside the legal reserve of 10% at an amount of NT\$11,885,640, and adding unappropriated retained earnings as of the beginning of NT\$83,808,840, the total amount of earnings available for distribution is NT\$190,779,598, It is proposed that NT\$109,945,212 be distributed as cash dividends, and cash dividends at NT\$1.1 per share on common shares. After the proposed distribution, the unappropriated earnings at the end is NT\$80,834,386.
- (2)The cash dividends shall be calculated based on the portion of distribution. The amounts shall be rounded down zero decimal places. The total of fractional amounts less than one NTD shall be distributed in descending order of the original portion and in ascending order of the shareholder account numbers, until the total distributed amount meets the cash dividends amount.
- (3)Where the subsequent changes in the Company's share capital affect the number of shares outstanding and thus a change in the shareholders' cash dividend portions occurs, the Chairman of the Board shall handle the revision with sole discretion with the authorization granted in the General Shareholders' Meeting.

Proposal Items

1. Proposed by the Board

Proposal:

Adoption of the 2023 Business Report and Financial Statements

Explanation:

- (1) The 2023 Business Report, Individual Financial Statements and Consolidated Financial statements were prepared by the board of directors. The Individual Financial Statements and Consolidated Financial statements were audited by independent auditors, Ya Yun Chang and Yu Feng Huang of Deloitte Touche Tohmatsu Limited. Also, Business Report have been approved by the Board and examined by the Audit Committee.
- (2) For the 2023 Business Report, Independent auditors' audit report, and the Financial Statements, please refer to page 10 to 11 and page 13 to page 35.

Resolution:

2. Proposed by the Board

Proposal:

Adoption of the proposal for distribution of 2023 profits

Explanation:

- (1) Please refer to page 36 for the Profit Distribution Proposal of 2023.

Resolution:

Discussion Items

1.

Proposed by the Board

Proposal:

Amendments to the ‘‘Rules of Procedures for Shareholders’ Meetings’’.

Explanation:

(1) Amended according to the announcement No. 1120004167 of the Taiwan Stock Exchange.

(2) Please refer to page 37 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 July 29th, 2024, 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 April 30th, 2024 to April 29th, 2027. 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	3
Name	Thomas Shen	Mark Yang	Sanyang Motor Co., Ltd. Representative: R.H.Tian
Educational Background	Ph.D. in Biochemistry and Molecular Biology, University of Massachusetts, USA	The executive Master of Business Administration, National Chiao Tung University	Master of Investment Management, Cass Business School, City University
Work Experience	-President of Metertech Inc. -Professor of National Tsing Hua University	-Assistant Vice President of Metertech Inc.	- Assistant Vice President of Sanyang Motor Co., Ltd.
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.	- Director &spokesman of Sanyang Motor Co., Ltd. - Chairman of Three Brothers Machinery IND Co., Ltd.
No. of shares	9,744,579	281,920	5,806,000

Candidate for Independent Director	1	2	3	4
Name	Jeng Ming, Pai	Jin-Chang, Bou	Yung-Luh, Tsaih	Chen I, Wu
Educational background	Master of Business Administration, National Chengchi University	Master of Business Administration, The City University of New York	Master of Business Administration, University of Missouri	Master of Business Administration, University of Leicester
Work Experience	- Chairman of Hwa-Tek Material Co., Ltd.	-Supervisor of Macauto Industrial Co., Ltd. - Vice President & CFO of Syncmold Enterprise Co., Ltd. - Special Assistant to the Chairman of Syncmold Enterprise Co., Ltd.	- Vice President of Underwriting Department at Fubon Securities Co., Ltd.	-Senior manager of Deloitte & Touche
Present Job	-Chairman of Bi-Sonic Technology Corp. -Chairman of Bi-Sonic Thermal Module Technology Corp. -Director of Bi-sonic Technology Corp -Chairman of SpeedLead Co., Ltd. -Chairman of Tai-Lai Enterprise	-Supervisor of Loyal Fidelity Aerospace Corp. -Director of Hwua Yiang Investment Corp.	-Independent director of Syncmold Enterprise Co., Ltd.	- CPA & Director of T&T CPA Form - Independent director of PenPower Technology Ltd.
No. of shares	0	0	0	0

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 and their representatives 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.
Director	Sanyang Motor Co., Ltd. Representative: R.H.Tian	Director &spokesman of Sanyang Motor Co., Ltd. Chairman of Three Brothers Machinery IND Co., Ltd.
Independent director	Jeng Ming, Pai	Chairman of Bi-Sonic Technology Corp. Chairman of Bi-Sonic Thermal Module Technology Corp. Director of Bi-sonic Technology Corp Chairman of SpeedLead Co., Ltd. Chairman of Tai-Lai Enterprise
Independent director	Jin-Chang, Bou	Supervisor of Loyal Fidelity Aerospace Corp. Director of Hwua Yiang Investment Corp.
Independent director	Yung-Luh, Tsaih	Independent director of Syncmold Enterprise Co., Ltd.
Independent director	Chen I, Wu	CPA & Director of T&T CPA Form Independent director of PenPower Technology Ltd.

Extempore Motions

Meeting Adjournment

Appendices

(Appendix 1)

Business Report

1. 2023 Business Results:

(In Thousands of New Taiwan Dollars)

Annualized	FY2023	FY2022	Increase/Decrease	%
Operating Revenue	1,676,537	2,244,176	-567,639	-25.29%
Gross Profit	531,116	576,839	-45,723	-7.93%
Operating expenses	389,400	400,279	-10,879	-2.72%
Net Operating Income	141,716	176,560	-34,844	-19.73%
Net Income After Tax	115,714	181,451	-65,737	-36.23%

The company's operating revenue in 2023 was NT\$1,676,537 thousand, a decrease of 25.29% compared to NT\$2,244,176 thousand in 2022. Net profit after tax in 2023 was NT\$115,714 thousand, a decrease of NT\$65,737 thousand from net profit after tax of NT\$181,451 thousand in 2022.

The operating revenue in 2023, a decline of 25.29% year-over-year, mainly for customer destocking have not as expected that led to in a decrease in their purchase order. However due to the sales portfolio optimization and the depreciation of the New Taiwan Dollar, the gross margin improved compared to 2022.

2. Research and Development Status

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

(In Thousands of New Taiwan Dollars)

Year	2023	2022	2021
R&D Expense	163,325	165,448	153,289
Ratios of R&D expense to net operating revenue (%)	9.74	7.37	7.19

(2) New Product Developments :

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

3. Future development strategies

- Based on the spirit of sustainable management, our Company will continue to develop products that are beneficial to our customers and the society to strengthen ourselves ApexBio. Besides, fresh ideas from different aspects are implemented in response to upcoming uncertainties of the global society.

- As we pursue sustainable management and profit, we make sure to stress no less on concerning the environment, the society and our corporate governance. We will execute the corporate governance and the enhancement of sustainable management properly, in order to build up communication with our customers, employees, vendors, investors and the authority concerned.

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

Best Regards

Chairman: Thomas Shen

President: Thomas Shen

Accounting Supervisor: James Chu

(Appendix 2)

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2023. Ya Yun Chang and Yu Feng Huang, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The 2023 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. 13, 2024

(Appendix 3)

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Apex Biotechnology Corporation

Opinion

We have audited the accompanying parent company only financial statements of Apex Biotechnology Corporation (the "Company") which comprise the parent company only balance sheets as of December 31, 2023 and 2022, 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 material accounting policy information.

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, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023.

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, 2023 is stated as follows:

Revenue Recognition

For the year ended December 31, 2023, the net operating revenue was NT\$1,541,261 thousand, refer to notes 4 and 22 to the parent company only financial statements for the details of accounting policies and the related information about the recognition of revenue. Revenue is recognized as presumed risk based on Auditing Standards. Because the Company's customers were relatively stable, 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 major audit procedures as follows:

1. Understand and examine the key internal control design of the sales revenue procedures and its execution effectiveness.
2. Examine sales revenue transactions. Extract samples from the bookkeeping records concerning the receipt and payment collection to ensure the correctness of sales revenue recognition for auditing purpose.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the

Company's financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%		
Current assets						Current liabilities					
Cash and cash equivalents	4,6	\$ 351,190	15	\$ 314,191	13	Short-term loans	16	\$ 30,000	2	\$ 50,000	2
Financial assets at fair value through profit or loss-current	4,7	61,868	3	65,829	2	Contract liabilities-current	4,22	6,595	-	27,923	1
Notes and accounts receivable, net	4,9,22	260,399	11	466,373	19	Notes payable	17	27,435	1	63,225	3
Notes and accounts receivable from related parties, net	4,29	46,115	2	23,583	1	Accounts payable	17,29	120,034	5	208,558	9
Other receivables	9	5,684	-	10,063	-	Other payables	18	113,266	5	132,126	5
Other receivables from related parties	29	41,443	2	41,158	2	Current tax liabilities	4,24	46,237	2	36,915	2
Inventories	4,5,10	695,446	31	691,030	28	Current provisions	19	10,099	1	10,901	-
Other current assets	15	19,627	1	19,193	1	Lease liabilities-current	4,13	3,391	-	4,187	-
Total current assets		1,481,772	65	1,631,420	66	Other current liabilities	18	3,158	-	3,025	-
						Total current liabilities		360,215	16	536,860	22
Non-current assets						Non-current liabilities					
Financial assets at amortized cost-noncurrent	4,8,30	6,200	-	6,200	-	Deferred tax liabilities	4,24	3	-	3,064	-
Investments accounted for using equity method	4,5,11	29,550	1	41,922	2	Lease liabilities-noncurrent	4,13	109,690	5	112,993	4
Property, plant and equipment	4,12	603,288	27	639,847	26	Guarantee deposits received		27	-	27	-
Right-of-use assets	4,13	106,170	-	111,429	-	Total non-current liabilities		109,720	5	116,084	4
Intangible assets	4,14	21,072	1	21,688	1	Total liabilities		469,935	21	652,944	26
Deferred tax assets	4,24	4,239	-	3,620	-						
Prepayments for business facilities		2,410	-	4,917	-	Equity	4,21				
Refundable deposits		3,092	-	3,068	-	Share capital		999,502	44	999,502	41
Net defined benefit asset, non-current	4,20	8,576	1	6,157	-	Capital surplus		68,368	3	68,368	3
Total non-current assets		784,597	35	838,848	34	Retained earnings					
						Legal reserve		516,208	23	497,454	20
						Unappropriated retained earnings		202,665	9	242,493	10
						Total retained earnings		718,873	32	739,947	30
						Other equity		9,691	-	9,507	-
						Total equity		1,796,434	79	1,817,324	74
Total assets		\$ 2,266,369	100	\$ 2,470,268	100	Total liabilities and equity		\$ 2,266,369	100	\$ 2,470,268	100

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

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

	<u>Note</u>	<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET OPERATING REVENUE	4,22,29	\$ 1,541,261	100	\$ 2,135,587	100
OPERATING COSTS	4,10,23,29	<u>1,102,025</u>	<u>71</u>	<u>1,639,157</u>	<u>77</u>
GROSS PROFIT		439,236	29	496,430	23
REALIZED (UNREALIZED) PROFIT FROM SALES	4	<u>2,740</u>	<u>-</u>	<u>(2,161)</u>	<u>-</u>
REALIZED GROSS PROFIT		<u>441,976</u>	<u>29</u>	<u>494,269</u>	<u>23</u>
OPERATING EXPENSES	23,29				
Selling and marketing expenses		56,738	4	58,686	3
General and administrative expenses		84,472	5	84,633	4
Research and development expenses		<u>163,325</u>	<u>11</u>	<u>165,448</u>	<u>7</u>
Total operating expenses		<u>304,535</u>	<u>20</u>	<u>308,767</u>	<u>14</u>
INCOME FROM OPERATIONS		<u>137,441</u>	<u>9</u>	<u>185,502</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES					
Interest income	23,29	3,709	-	1,589	-
Other income	4,23,26	4,139	-	2,444	-
Other gains and losses	4,23	14,928	1	50,039	2
Finance costs	23	(4,190)	-	(5,246)	-
Share of profit (loss) of subsidiaries accounted for using equity method	4,5,11	<u>(15,296)</u>	<u>(1)</u>	<u>(34,672)</u>	<u>(2)</u>
Total non-operating income and expenses		<u>3,290</u>	<u>-</u>	<u>14,154</u>	<u>-</u>
INCOME BEFORE INCOME TAX		140,7	9	199,656	9
INCOME TAX EXPENSE	4,24	<u>24,948</u>	<u>1</u>	<u>17,871</u>	<u>1</u>

(Continued)

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

	<u>Note</u>	<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET INCOME		\$ 115,783	8	\$ 181,785	8
OTHER COMPREHENSIVE INCOME (LOSS)	4,20,21				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		€ -	-	€ -	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		184	-	6,989	1
Other comprehensive income(loss) for the year, net of income tax		3,257	-	12,742	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 119,040</u>	<u>8</u>	<u>\$ 194,527</u>	<u>9</u>
EARNINGS PER SHARE	25				
Basic		\$ 1.16		\$ 1.82	
Diluted		\$ 1.15		\$ 1.81	

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

(Concluded)

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	<u>Share Capital</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>		<u>Other Equity</u>	<u>Total Equity</u>
	<u>Shares</u> <u>(In Thousands)</u>	<u>Ordinary Share</u>		<u>Legal Reserve</u>	<u>Unappropriated Earnings</u>	<u>Exchange Differences on Translation of Foreign Operations</u>	
BALANCE AT JANUARY 1, 2022	99,950	\$ 999,502	\$ 68,368	\$ 476,978	\$ 205,366	\$ 2,518	\$ 1,752,732
Appropriation of 2021 earnings							
Legal reserve	-	-	-	20,476	(20,476)	-	-
Cash dividends – \$1.3 per share	-	-	-	-	(129,935)	-	(129)
Net income in 2022	-	-	-	-	181,785	-	18
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	5,753	6,989	12,742
Total comprehensive income in 2022	-	-	-	-	187,538	6,989	194,527
BALANCE AT DECEMBER 31, 2022	99,950	999,502	68,368	497,454	242,493	9,507	1,817,324
Appropriation of 2022 earnings							
Legal reserve	-	-	-	18,754	(18,754)	-	-
Cash dividends – \$1.4 per share	-	-	-	-	(139,930)	-	(139,930)
Net income in 2023	-	-	-	-	115,783	-	115,783
Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	3,073	184	3,257
Total comprehensive income in 2023	-	-	-	-	118,856	184	119,040
BALANCE AT DECEMBER 31, 2023	<u>99,950</u>	<u>\$ 999,502</u>	<u>\$ 68,368</u>	<u>\$ 516,208</u>	<u>\$ 202,665</u>	<u>\$ 9,691</u>	<u>\$ 1,796,434</u>

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

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 140,731	\$ 199,656
Adjustments for:		
Depreciation expense	60,638	65,279
Amortization expense	3,681	3,477
Net loss on financial assets at fair value through profit or loss	3,961	4,590
Finance costs	4,190	5,246
Interest income	(3,709)	(1,589)
Dividend income	(1,421)	(575)
Share of loss of subsidiaries accounted for using equity method	15,296	34,672
Property, plant and equipment transferred to expenses	223	855
Impairment loss on non-financial assets	9,500	6,000
Unrealized (realized) loss from sales	(2,740)	2,161
Unrealized foreign exchange gain	(3,627)	(44,242)
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	198,279	(5,954)
Notes receivable and accounts receivable from related parties	(24,169)	4,911
Other receivables	4,348	3,939
Other receivables from related parties	1,024	8,191
Inventories	(13,916)	(90,761)
Other current assets	(434)	(8,636)
Contract liabilities	(21,328)	(64,968)
Notes payable	(35,790)	4,492
Accounts payable	(87,047)	(64,940)
Other payables	(15,875)	193
Provisions	(802)	1,151
Other current liabilities	133	137
Net defined benefit assets	654	710
Cash generated from operations	231,800	63,995
Interest received	2,213	605

(Continued)

APEX BIOTECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Dividend received	\$ 1,421	\$ 575
Interest paid	(4,228)	(5,210)
Income taxes paid	(18,895)	(24,042)
Net cash generated from operating activities	<u>212,311</u>	<u>35,923</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	-	(1,705)
Proceeds from disposal of financial assets at fair value through profit or loss	-	1,001
Acquisition of property, plant and equipment	(21,886)	(35,984)
Increase in refundable deposits	(24)	(163)
Acquisition of intangible assets	(3,065)	(4,074)
Decrease (increase) in prepayments for business facilities	2,507	(455)
Net cash used in investing activities	<u>(22,468)</u>	<u>(41,380)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	250,000	905,000
Decrease in short-term loans	(270,000)	(1,005,000)
Payments of lease liabilities	(4,194)	(4,084)
Cash dividends paid	(139,930)	(129,935)
Net cash used in financing activities	<u>(164,124)</u>	<u>(234,019)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>11,280</u>	<u>30,067</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,999	(209,409)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>314,191</u>	<u>523,600</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 351,190</u>	<u>\$ 314,191</u>

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Apex Biotechnology Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Apex Biotechnology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

APEX BIOTECHNOLOGY CORPORATION

By

Yen Shih Shen
Chairman

March 13, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Apex Biotechnology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Apex Biotechnology Corporation and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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 material accounting policy information.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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, 2023 is stated as follows:

Revenue Recognition

For the year ended December 31, 2023, the net operating revenue was NT\$1,676,537 thousand, refer to notes 4 and 22 to the consolidated financial statements for the details of accounting policies and the related information about the recognition of revenue. Revenue is recognized as presumed risk based on Auditing Standards. Because the Company's customers were relatively stable, 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 major audit procedures as follows:

3. Understand and examine the key internal control design of the sales revenue procedures and its execution effectiveness.
4. Examine sales revenue transactions. Extract samples from the bookkeeping records concerning the receipt and payment collection to ensure the correctness of sales revenue recognition for auditing purpose.

Other Matter

We have also audited the parent company only financial statements of Apex Biotechnology Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%		
Current assets						Current liabilities					
Cash and cash equivalents	4,6	\$ 382,046	17	\$ 331,705	13	Short-term loans	16	\$ 30,000	1	\$ 50,000	2
Financial assets at fair value through profit or loss - current	4,7	61,868	3	65,829	3	Contract liabilities-current	4,22	6,595	-	29,043	1
Notes and accounts receivable, net	4,9,22,29	288,390	13	486,769	19	Notes payable	17	27,435	1	63,225	3
Other receivables	9	5,717	-	10,117	1	Accounts payable	17,29	128,782	6	226,460	9
Inventories	4,5,10	747,714	32	739,252	29	Other payables	18	123,721	6	142,968	6
Other current assets	15	20,906	1	20,806	1	Current tax liabilities	4,24	46,237	2	36,915	2
Total current assets		<u>1,506,641</u>	<u>66</u>	<u>1,654,478</u>	<u>66</u>	Current provisions	19	10,099	1	10,901	-
						Lease liabilities-current	4,13	7,200	-	8,014	-
						Other current liabilities	18	3,285	-	3,026	-
						Total current liabilities		<u>383,354</u>	<u>17</u>	<u>570,552</u>	<u>23</u>
Non-current assets						Non-current liabilities					
Financial assets at amortized cost - non-current	4,8,30	6,200		6,200		Deferred tax liabilities	4,24	43	-	3,103	-
Property, plant and equipment	4,12	604,355	26	641,370	26	Lease liabilities - non-current	4,13	116,196	5	122,668	5
Right-of-use assets	4,13	116,234		124,709		Guarantee deposits received		477	-	485	-
Intangible assets	4,5,14	44,219		69,141		Total non-current liabilities		<u>116,716</u>	<u>5</u>	<u>126,256</u>	<u>5</u>
Deferred tax assets	4,24	4,239		3,620							
Prepayments for business facilities		2,410		4,917		Total liabilities		<u>500,070</u>	<u>22</u>	<u>696,808</u>	<u>28</u>
Refundable deposits		4,130		4,109							
Net defined benefit asset, non-current	4,20	8,576	1	6,157	-	Equity attributable to shareholders of the parent	4,21				
Total non-current assets		<u>790,363</u>	<u>34</u>	<u>860,223</u>	<u>34</u>	Share capital		999,502	44	999,502	40
						Capital surplus		68,368	3	68,368	3
						Retained earnings					
						Legal reserve		516,208	22	497,454	20
						Unappropriated earnings		202,665	9	242,493	9
						Total retained earnings		<u>718,873</u>	<u>31</u>	<u>739,947</u>	<u>29</u>
						Other equity		9,691	-	9,507	-
						Equity attributable to shareholders of the parent		1,796,434	78	1,817,324	72
						Non-controlling interests	21				
						Total equity		<u>1,796,934</u>	<u>78</u>	<u>1,817,893</u>	<u>72</u>
Total assets		<u>\$ 2,297,004</u>	<u>100</u>	<u>\$ 2,514,701</u>	<u>100</u>	Total liabilities and equity		<u>\$ 2,297,004</u>	<u>100</u>	<u>\$ 2,514,701</u>	<u>100</u>

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

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

		<u>2023</u>		<u>2022</u>	
	<u>Note</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET OPERATING REVENUE	4,22,29	\$ 1,676,537	100	\$ 2,244,176	100
OPERATING COSTS	4,10,23,29	<u>1,145,421</u>	<u>69</u>	<u>1,667,337</u>	<u>74</u>
GROSS PROFIT		<u>531,116</u>	<u>31</u>	<u>576,839</u>	<u>26</u>
OPERATING EXPENSES	9,23,29				
Selling and marketing expenses		104,269	6	116,054	5
General and administrative expenses		119,989	7	118,777	5
Research and development expenses		163,325	10	165,448	8
Impairment gain determined in accordance with IFRS 9		<u>1,817</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses		<u>389,400</u>	<u>23</u>	<u>400,279</u>	<u>18</u>
INCOME FROM OPERATIONS		<u>141,716</u>	<u>8</u>	<u>176,560</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES					
Interest income	23	1,782	-	577	-
Other income	4,23,26	4,383	-	2,600	-
Other gains and losses	4,5,23	(2,531)	-	25,236	1
Finance costs	23	<u>(4,388)</u>	<u>-</u>	<u>(5,398)</u>	<u>-</u>
Total non-operating income and expenses		<u>(754)</u>	<u>-</u>	<u>23,015</u>	<u>1</u>
INCOME BEFORE INCOME TAX		140,962		199,575	
INCOME TAX EXPENSE	4,24	<u>25</u>	<u>1</u>	<u>18,124</u>	<u>1</u>
NET INCOME		<u>115,</u>	<u>7</u>	<u>181,451</u>	<u>8</u>

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	<u>Note</u>	<u>2023</u> <u>Amount</u>	<u>%</u>	<u>2022</u> <u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME	4,20,21				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		\$ 3,073	-	\$ 5,753	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		<u>184</u>	-	<u>7,068</u>	<u>1</u>
Other comprehensive income for the year, net of income tax		<u>3,257</u>	-	<u>12,821</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 118,971</u>	<u>7</u>	<u>\$ 194,272</u>	<u>9</u>
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 115,783	7	\$ 181,785	8
Non-controlling interests		<u>()</u>	-	<u>(334)</u>	-
		<u>\$ 115,714</u>	<u>7</u>	<u>\$ 181,451</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 119,040	7	\$ 194,527	9
Non-controlling interests		<u>(69)</u>	-	<u>(255)</u>	-
		<u>\$ 118,971</u>	<u>7</u>	<u>\$ 194,272</u>	<u>9</u>
EARNINGS PER SHARE	25				
Basic		<u>\$ 1.16</u>		<u>\$ 1.82</u>	
Diluted		<u>\$ 1.15</u>		<u>\$ 1.81</u>	

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

(Concluded)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent						Other Equity Exchange Differences on Translation of Foreign Operations	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings		Total			
	Shares (In thousands)	Amount		Legal Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	99,950	\$ 999,502	\$ 68,368	\$ 476,978	\$ 205,366	\$ 2,518	\$ 1,752,732	\$ 824	\$ 1,753,556
Appropriation of 2021 earnings									
Legal reserve	-	-	-	20,476	(20,476)	-	-	-	-
Cash dividends -\$1.30 per share	-	-	-	-	(129,935)	-	(129,935)	-	(129,935)
Net income (loss) in 2022	-	-	-	-	181,785	-	181,785	(334)	181,451
Other comprehensive income (loss) in 2022, net of Income tax	-	-	-	-	5,753	6,989	12,742	(79)	12,821
Total comprehensive income (loss) in 2022	-	-	-	-	187,538	6,989	194,527	(255)	194,272
BALANCE AT DECEMBER 31, 2022	99,950	999,502	68,368	497,454	242,493	9,507	1,817,324	569	1,817,893
Appropriation of 2022 earnings									
Legal reserve	-	-	-	18,754	(18,754)	-	-	-	-
Cash dividends -\$1.40 per share	-	-	-	-	(139,930)	-	(139,930)	-	(139,930)
Net income (loss) in 2023	-	-	-	-	115,783	-	115,783	(69)	115,714
Other comprehensive income (loss) in 2023, net of Income tax	-	-	-	-	3,073	184	3,257	-	3,257
Total comprehensive income (loss) in 2023	-	-	-	-	118,856	184	119,040	(69)	118,971
BALANCE AT DECEMBER 31, 2023	99,950	\$ 999,502	\$ 68,368	\$ 516,208	\$ 202,665	\$ 9,691	\$ 1,796,434	\$ 500	\$ 1,796,934

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

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 140,962	\$ 199,575
Adjustments for:		
Depreciation expense	65,153	69,623
Amortization expense	10,557	24,477
Expected credit loss	1,817	-
Net loss on financial assets at fair value through profit or loss	3,961	4,590
Finance costs	4,388	5,398
Interest income	(1,782)	(577)
Dividend income	(1,421)	(575)
Property, plant and equipment transferred to expenses	223	855
Impairment loss on non-financial assets	9,500	6,000
Impairment loss on intangible assets	17,778	24,887
Unrealized foreign exchange gain	(5,192)	(40,308)
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	188,867	(1,380)
Other receivables	4,369	3,885
Inventories	(17,962)	(116,667)
Other current assets	(100)	(9,167)
Contract liabilities	(22,448)	(64,017)
Notes payable	(35,790)	4,492
Accounts payable	(96,221)	(59,508)
Other payables	(16,330)	1,353
Provisions	(802)	1,151
Other current liabilities	259	137
Net defined benefit assets	654	710
Cash generated from operations	<u>250,440</u>	<u>54,934</u>
Interest received	1,813	547
Dividend received	1,421	575
Interest paid	(4,388)	(5,398)
Income taxes paid	<u>(18,895)</u>	<u>(24,042)</u>

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Net cash generated from operating activities	\$ 230,391	\$ 26,616
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	-	(1,705)
Proceeds from disposal of financial assets at fair value through profit or loss	-	1,001
Acquisition of property, plant and equipment	(21,914)	(36,126)
Increase in refundable deposits	(25)	(7)
Acquisition of intangible assets	(3,065)	(4,074)
Decrease (Increase) in prepayments for business facilities	<u>2,507</u>	<u>(455)</u>
Net cash used in investing activities	<u>(22,497)</u>	<u>(41,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	281,155	964,610
Decrease in short-term loans	(301,155)	(1,064,610)
Increase (Decrease) in guarantee deposits received	(16)	13
Payments of lease liabilities	(8,195)	(7,680)
Cash dividends paid	<u>(139,930)</u>	<u>(129,935)</u>
Net cash used in financing activities	<u>(168,141)</u>	<u>(237,602)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>10,588</u>	<u>28,723</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,341	(223,629)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>331,705</u>	<u>555,334</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 382,046</u>	<u>\$ 331,705</u>

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

(Concluded)

(Appendix 4)

APEX Biotechnology Corp.
2023 Profit Distribution Proposal

(New Taiwan Dollars)

Beginning Balance of retained earnings	83,808,840
Add: 2022 Net profit after tax	115,783,107
Recognition of remeasurement of defined benefit plans	3,073,291
-Less: 10% Legal Reserve	(11,885,640)
2022 Unappropriated retained earnings	190,779,598
-Less: Distributable items:	
Cash Dividends to shareholders (NT\$1.1 per share)	(109,945,212)
Ending Balance of Undistribution Earning	80,834,386

Note 1. Priority distribution of year 2023.

Note 2. The Total dividend distribution to shareholders is calculated based on the 99,950,192 outstanding shares on Feb. 29th, 2024.

(Appendix 5)

Apex Biotechnology Corporation

Comparison table for the amendments of the Rules of Procedures for Shareholders' Meetings

Original Article	Amended Article	Reason for Amendment
<p>Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors. (Omitted)</p> <p>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. (Omitted)</p>	<p>Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors. When the company convenes a virtual Shareholders' meeting, unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it should be stated in the articles of association and approved by the board of directors. The virtual shareholders' meeting should be approved by the board of directors with more than two-thirds of the directors present and the resolution shall be passed with more than half of the attending directors in agreement. (Omitted)</p> <p>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. (Omitted)</p>	<p>Amended according to the announcement No. 112004167 of the Taiwan Stock Exchange</p>
<p>Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notice) To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice: (Omitted)</p> <p>3.To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.</p>	<p>Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notice) To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice: (Omitted)</p> <p>3.To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Except for situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which</p>	<p>Amended according to the announcement No. 112004167 of the Taiwan Stock Exchange</p>

Original Article	Amended Article	Reason for Amendment
	shareholders can apply to the company and other relevant matters should be noted.	
<p>Article 22 (Handling of digital divide) When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</p>	<p>Article 22 (Handling of digital divide) When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Except for situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted.</p>	<p>Amended according to the announcement No. 112004167 of the Taiwan Stock Exchange</p>

(Appendix 6)

Articles of Incorporation of Apex Biotechnology Corporation

Chapter 1. General Provisions

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

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

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

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

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

Article 5. Deleted.

Chapter 2. Shares

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

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

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

Article 9. Deleted.

Article 10. Deleted.

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

Article 12. Deleted.

Chapter 3. Shareholders’ Meeting

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

with applicable laws and regulations whenever necessary.

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

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

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

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

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

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

Article 18. If a Shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the power of the Chairperson, the Chairperson shall appoint one of the Directors to act as chair. Where the Chairperson does not make such a designation, the Directors shall select

from among themselves one person to serve as chair ; If a Shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Chapter 4. Directors, Audit Committee and Managerial Officers

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

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

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

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

Article 21. The chairperson of the Board shall be elected from among the directors by a majority vote of the director present at a meeting attended by at least two-thirds of all directors and the chairperson represents the Company. The meeting shall be chaired by the Chairperson of the Board, when the Chairperson of the Board is on leave or for any reason unable to exercise the power of the Chairperson, the Chairperson shall appoint one of the Directors to act as chair. Where the Chairperson does not make such a designation, the Directors shall select from among themselves one person to serve as chair

Article 22. A directors' meeting shall be convened by the chairperson unless otherwise provided by the Company Act. Unless otherwise provided by the Company Act, resolutions of a directors' meeting shall be adopted by a majority vote of the director present at a meeting attended by a majority of all directors.

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

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

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

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

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

Chapter 5. Accounting

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

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

1). Business Report

2). Financial Report

3). Proposal for allocating profit or conversing loss

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

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

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

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

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

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

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

Chapter 6. Supplemental Provisions

- Article 29. The organizational rules of the Company shall be separately stipulated.
- Article 30. In case of any matters not covered herein, the Company Act shall govern.
- Article 31. These Articles of Association were adopted on November 14, 1997
The first amendment on April 28, 1998,
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.
22nd amendment on July 30, 2021.
23rd amendment on May 27, 2022.

APEX Biotechnology Corp.

Chairman: Thomas Shen

(Appendix 7)

Rules and Procedures for Shareholders' Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for this Corporation's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

(Convening shareholders' meetings and shareholders' meeting notices)

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

Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors and shall be made no later than mailing of the shareholders' meeting notice.

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 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. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. 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.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date

of the shareholders' meeting:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting 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 4

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.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

(Principles determining the time and place of a shareholders' meeting)

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.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders' meeting.

Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") 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. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

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.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders' meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

(Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notice)

To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

- C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7

(The chair and non-voting participants of a shareholders' meeting)

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 attended by a most of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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 8

(Documentation of a shareholders' meeting by audio or video)

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

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

Where a shareholders' meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

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, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a most 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. In the event of a virtual shareholders' meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

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. In the event of a virtual shareholders' meeting,

shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a most 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 10

(Discussion of proposals)

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 11

(Shareholder speech)

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.

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

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

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

(Calculation of voting shares and recusal system)

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 13

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

Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, 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.

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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed,

the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

(Election of directors and supervisors)

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, and the names of directors and supervisors not elected and number of votes they received.

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 15

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. Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online

Article 16

(Public disclosure)

On the day of a shareholders' meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17

(Maintaining order at the meeting place)

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 18

(Recess and resumption of a shareholders' meeting)

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 19

(Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

(Location of the chair and secretary of virtual-only shareholders' meeting)

When this Corporation convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

(Handling of disconnection)

In the event of a virtual shareholders' meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations

Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders' meeting that is

postponed or resumed under the second paragraph.

Article 22

(Handling of digital divide)

When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23

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

(Appendix 8)

Rules for Election of Directors

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. Info

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 the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The scrutineers must possess shareholder status.

Article 8

For the election of directors, the board of directors shall set up a ballot box, and prior to voting, scrutineers shall publicly verify it."

Article 9

The election of directors shall be conducted jointly for independent directors and non-independent directors, with votes counted separately for each category, and winners elected separately.

Article 10

A ballot is invalid under any of the following circumstances:

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.

Article 11:

The directors of the company, in accordance with the provisions of the company's articles of association, shall be elected separately based on the allocated quotas for independent and non-independent directors. The election shall be conducted by determining the respective number of votes obtained, with the candidates receiving the highest number of votes being elected in sequence. In the event that two or more individuals have the same number of votes exceeding the prescribed quota, the tie shall be resolved by drawing lots among those with equal votes. In case of absence, the chairperson shall draw lots on their behalf.

Article 12

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 13

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 14:

Matters not stipulated in these procedures shall be handled in accordance with the Company Law, the articles of association of this company, and relevant laws and regulations.

Article 15

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

(Appendix 9)

Apex Biotechnology Corporation

Shareholding of Directors

Book closure date: March 2, 2024

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

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