

APEX Biotechnology Corp.

**2024 Annual Meeting of Shareholders Minutes
(Translation)**

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

Attending shareholders and proxy represented 60,070,542 shares (including 6,906,578 shares which attended through electronic voting) accounting for 60.10% of 99,950,192 shares, the Company's total outstanding shares.

Directors Present

Thomas Shen (Chairman), Mark Yang (Director), Bou, Jin-Chang (Independent Director), I-Tan, Chih (Independent Director & Chairman of the Audit Committee)

Chairman: Thomas Shen

Recorder: Sharon Kang

1. Call the Meeting to Order:

The aggregate shareholding of the shareholders present constituted a quorum.

The Chairman called the meeting to order

2. Chairperson Remarks: Omitted.

3. Report Items

(1) Business report of 2023 (see Attachment)

(2) The Audit Committee's review report of 2023 (see Attachment)

(3) Report 2023 employees' profit sharing bonus and directors' compensation

Explanation:

I. 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.

- II. 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:

- I. 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.
- II. 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.
- III. 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.

Shareholder Question: (Shareholder No. 74825)

Issues about Company's main products, development plans, inventory removal, CPA audit fees and remuneration to directors.

Company Response :

The company's main products are biochemical blood glucose test kits for home use. The company is also committed to developing monitoring systems for using in hospital and Remote data transmission monitoring systems. In the past, due to the increase in inventory during the epidemic, through continuous communication with customers and suppliers, the inventory has been reduced. The CPA audit fees are determined by the complexity of the annual inspection and the time invested. The remuneration to directors is according to the Articles of Incorporation.

4. Proposal Items

Proposal I : Adoption of the 2023 Business Report and Financial Statements
(Proposed by the Board)

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 attachment.

Shareholder Question: (Shareholder No. 74825)

Issues such as how to measure the fair value of financial assets at FVTPL ? how to recognize the inventory valuation losses in cost of goods sold ? how about the impairment, amortization of intangible assets and operation of the U.S. subsidiaries?

Company Response :

The Company entrust the professional appraisal agency to evaluate the fair value of the financial assets at FVTPL and recognize the profit or loss based on the appraisal results. The impairment loss and amortization recognized of the U.S. subsidiary were followed by a professional appraisal agency entrusted and the profit and loss were recognized based on the appraisal results. In addition, allowance for inventory valuation losses is complimented in accordance with internal operation standards.

Resolution: The result is as follows:

Shares represented at the time of voting: 60,070,542

Affirmative votes: 55,365,239 (including electronic voting 2,337,403) 92.16% of the total represented share present.

Dissenting votes: 14,911 (including electronic voting 14,911) 0.02% of the total represented share present.

Abstaining votes: 4,690,392 (including electronic voting 4,554,264) 7.80% of the total represented share present.

It was resolved that the above proposal be approved as proposed.

Proposal II: Adoption of the proposal for distribution of 2023 profits

(Proposed by the Board)

Explanation:

(1) Please refer to attachment for the Profit Distribution Proposal of 2023.

Resolution: The result is as follows:

Shares represented at the time of voting: 60,070,542

Affirmative votes: 55,372,210 (including electronic voting 2,344,374) 92.17% of the total represented share present.

Dissenting votes: 32,932 (including electronic voting 32,932) 0.05% of the total represented share present.

Abstaining votes: 4,665,400 (including electronic voting 4,529,272) 7.76% of the total represented share present.

It was resolved that the above proposal be approved as proposed.

5. Discussion Items

Proposal I : Amendments to the ‘‘Rules of Procedures for Shareholder Meetings’’.

(Proposed by the Board)

Explanation:

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

(2) Please refer to attachment.

Resolution: The result is as follows:

Shares represented at the time of voting: 60,070,542

Affirmative votes: 55,379,169 (including electronic voting 2,351,333) 92.19% of the total represented share present.

Dissenting votes: 21,216 (including electronic voting 21,216) 0.03% of the total represented share present.

Abstaining votes: 4,670,157 (including electronic voting 4,534,029) 7.77% of the total represented share present.

It was resolved that the above proposal be approved as proposed.

6. Director Elections

Proposal I : Re-election of the directors. (Proposed by the Board)

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 according to law.

(2) According to the regulations of Article 20 and Article 20-1 in the “Article of Incorporation” for the company, 7 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:

List of elected directors:

Title	ID#	Name	Number of election rights
Director	00000001	Thomas Shen	99,199,726
Director	00117110	Sanyang Motor Co., Ltd. Representative: R.H.Tian	55,449,182
Director	00000009	Mark Yang	55,051,920
Independent Director	A12081****	Jeng Ming, Pai	43,691,098
Independent Director	E22186****	Chen I, Wu	43,688,479
Independent Director	S12123****	Jin-Chang, Bou	43,685,246
Independent Director	H12085****	Yung-Luh, Tsaih	43,680,250

7. Other Matters

Proposal I : Release the prohibition on the newly elected directors and their representatives from participation in competitive business. (Proposed by the Board)

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.

Resolution: The result is as follows:

Shares represented at the time of voting: 60,070,542

Affirmative votes: 55,058,365 (including electronic voting 2,030,529) 91.65% of the total represented share present.

Dissenting votes: 71,338 (including electronic voting 71,338) 0.11% of the total represented share present.

Abstaining votes: 4,940,839 (including electronic voting 4,804,711) 8.22% of the total represented share present.

It was resolved that the above proposal be approved as proposed.

8. Extempore Motions

Shareholder Question: (Shareholder No. 115822)

Issues about the progress of certification and product development, the changes in the future after new shareholders join, and the Board of Directors' expectations for the future.

Company Response :

The global certification fees are becoming more and more expensive and need a long time to get the certification. The company is working continuously on new products' certification, and also developing remote data transmission monitoring systems, and rapid test reagent kits. The current joining of new shareholders is a financial investment, and the company will consider any suggestions from shareholders.

9. Meeting Adjournment : 10:13 a.m. of the same day

(Note : The content of the speech recorded in the Annual General Meeting minutes is a summary. The actual situation of the speech is subject to the on-site video and audio recording.)

Appendices

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

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

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	%	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)

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.

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>