



**Apex International Co., Ltd.**  
(Incorporated in Cayman Islands with limited liability)  
**2021 Annual General Meeting Minutes**  
(Translation)

**Date:** July 02, 2021 at 09:00 AM

**Place:** Salt & Light Conference Center  
7F., No. 369, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan R.O.C.

**Total outstanding shares:** 189,937,988

**Total shares represented by shareholders present in person or by proxy:** 129,998,780

**Percentage of shares held by shareholders present in person or by proxy:** 68.44%

**Total shares having no voting right:** 0

**Directors present:**

Mr. Yung-Tsai Chen, Independent Director

Mr. Sen-Tien Wu, Director

**Directors attended virtually:**

Mr. Shu-Mu Wang, Chairman of the Company

Mr. Jui-Hsiang Chou, Director

Mr. Chau-Chin Su, Independent Director & Convener of the Audit Committee

Mr. Shun-Chung Lee, Director

**Chairman:** Mr. Yung-Tsai Chen, Independent Director

*(Chairman of the Company, Mr. Shu-Mu Wang virtually participated in the meeting from Thailand due to the COVID-19 pandemic and appointed the Independent Director, Mr. Yung-Tsai Chen as the Chairman of the 2021 Annual General Meeting.)*

**Minutes Taker:** Ms. Yu-Ying Tsao

**1. Meeting Commencement Announced:** The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**2. Chairman's Remarks** (omitted)

**3. Report Items**

(1) 2020 Operation Report (please refer to Attachment 1).

(2) 2020 Final Accounting Books and Financial Statements Reviewed by Audit Committee (please refer to Attachment 2).

**4. Approval Items**

(1) Acceptance of the 2020 Final Accounting Books and Financial Statements (Proposed by the Board of Directors)

Explanation: a. 2020 annual final accounting books and financial statements were audited by CPA *Min-Ju Chao* and CPA *Chun-Shiu Kuang* of KPMG who issued unqualified opinion report.

b. For 2020 annual operation report, CPA's audit report and financial statements, please refer to Attachment 1 and 3.

c. Please approve.

(Questions raised by the shareholder and the management's responses were omitted)



Voting Results: Shares represented at the time of voting: 129,998,780

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	126,085,592 votes	96.98 %
Disapproval votes:	44,158 votes	0.03 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	3,869,030 votes	2.97 %

**RESOLVED**, the proposal was approved after voting.

(2) Acceptance of the 2020 Annual Distribution of Earning of the Company (Proposed by the Board of Directors)

Explanation: a. 2020 audited annual net profit was NT\$ 1,198,609,159, after adding other comprehensive income NT\$ 7,036 caused by revaluation of defined benefit plan and adding retained earnings at end of 2019 NT\$ 1,827,112,265, total distributable retained earnings is NT\$ 3,025,728,460. The Company proposes to distribute NT\$ 569,813,964 as 2020 shareholders' dividend. Total retained earnings after distribution will be NT\$ 2,455,914,496. For profit distribution table, please refer to Attachment 4.

b. The Company proposes to distribute NT\$ 3 per share as cash dividend for shareholders. The total dividend number will be rounded down to zero decimal place. The fractional number after 1 decimal place will be taken as other income of the Company. The proposed distribution of cash dividends is based on total outstanding shares of 189,937,988 shares, if the approved cash distribution ratio is required to be adjusted due to amendment of laws or regulations, request of competent authority, or any change of the numbers of the issued and outstanding shares, it is proposed that the Annual General Meeting authorize the Board of Directors with full power to adjust the distribution ratio.

c. Please approve.

Voting Results: Shares represented at the time of voting: 129,998,780

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	126,328,766 votes	97.17 %
Disapproval votes:	164,158 votes	0.12 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	3,505,856 votes	2.69 %

**RESOLVED**, the proposal was approved after voting.

**5. Discussion Items**

(1) Amendment to the "Procedures for Lending Funds to Other Parties" of the Company. (Proposed by the Board of Directors)

Explanation: a. Pursuant to practical operational needs, plans to amend the

"Procedures for Lending Funds to Other Parties" of the Company. The comparison table of amendments, please refer to Attachment 5.

b. Please discuss.

Voting Results: Shares represented at the time of voting: 129,998,780

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	122,783,702 votes	94.44 %
Disapproval votes:	62,200 votes	0.04 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	7,152,878 votes	5.50 %

**RESOLVED**, the proposal was approved after voting.

- (2) Amendment to the "Rules and Procedures of Shareholders' Meeting" of the Company (Proposed by the Board of Directors)

Explanation: a. Pursuant to June 03, 2020 Letter No.

Taiwan-Stock-Governance-1090009468 and January 28, 2021 Letter No. Taiwan-Stock-Governance-1100001446 of the Taiwan Stock Exchange Corporation, plans to amend the "Rules and Procedures of Shareholders' Meeting" of the Company. The comparison table of amendments, please refer to Attachment 6.

b. Please discuss.

Voting Results: Shares represented at the time of voting: 129,998,780

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	122,797,702 votes	94.46 %
Disapproval votes:	48,197 votes	0.03 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	7,152,881 votes	5.50 %

**RESOLVED**, the proposal was approved after voting (*by way of a special resolution*).

- (3) Amendment to the "Procedures for Election of Directors" of the Company (Proposed by the Board of Directors)

Explanation: a. Pursuant to June 03, 2020 Letter No.

Taiwan-Stock-Governance-1090009468 of the Taiwan Stock Exchange Corporation, plans to amend the "Procedures for Election of Directors" of the Company. The comparison table of amendments, please refer to Attachment 7.

b. Please discuss.

Voting Results: Shares represented at the time of voting: 129,998,780

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	122,795,706 votes	94.46 %



Voting Results (including votes casted electronically)		% of the total represented share present
Disapproval votes:	54,196 votes	0.04 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	7,148,878 votes	5.49 %

**RESOLVED**, the proposal was approved after voting.

**6. Extempore Motion: None**

**7. Meeting Adjourned: July 02, 2021, 09:25 AM**

**Yung-Tsai Chen**

Chairman of the Meeting

**Yu-Ying Tsao**

Minutes Taker

## Attachments

### Attachment 1

#### Apex International Co., Ltd. 2020 Annual Operating Report

Dear Shareholders,

The Senior Management Team is here to report the operating result of 2020 by this report. Apex extended projects of cost control from 2019, continued to keep manufacturing efficiency and cost management. Although the outbreak of COVID-19 virus in Q1 2020 affected demand orders, revenue has grown from stay-at-home economy and video conference afterwards in second half of year 2020. Besides, under the impact of COVID-19 virus, Apex has worked together to fight against pandemic and built up and kept on improving a good control system in order to protect safety of employees and stability of production. Those efforts were made by the whole members of Apex.

On behalf of Management, we would like to thank employees, shareholders, trade partners and financial institutions for your support and trust in Apex, making us able to work through the obstacles and challenges and maintain the Company in good shape. We are expecting to have your continuing support for our future growth and success and we are committed to create more value for all of our stakeholders.

### 1. 2020 Business Report

#### (1) Results of Business Plans Implemented

Amount unit: NT \$million	2020		2019		Change %
	Amount	% to sales	Amount	% to sales	
Operating revenue	11,833	100%	10,387	100%	14%
Operating costs	9,325	79%	8,417	81%	11%
Gross profit	2,508	21%	1,970	19%	27%
Operating income	1,194	10%	841	8%	42%
Interest expense	39	0%	70	1%	-44%
Net profit before tax	1,239	10%	846	8%	46%
Profit	1,204	10%	831	8%	45%

Although the pandemic outbreak in Q1 2020 impacted the demand of orders, demand momentum has recovered from stay-at-home economy and video conference need. Besides, the south-moving trend motivated by China-US trade war has also increased demand to us. That made revenue increase in Y2020. We did our best to prevent pandemic spread in our factory to protect our employees and production capability. Meanwhile, by maintaining good cost control, it made our profit grow obviously.

#### (2) Budget Implementation

Actual sales amount in 2020 was NT\$ 11.8 billion which is 92% of budgeted number 12.9 billion. However net profit was 105% of budgeted number because of reasons



described in previous paragraph.

(3) Financial Structure

Financial Ratio	2020	2019
Debt ratio (%)	49.82%	36.95%
Ratio of long-term capital to fixed assets (%)	133.36%	137.39%
Current ratio (%)	132.05%	146.02%
Accounts receivables turnover ratio (time)	3.59	3.17
Inventory turnover ratio (time)	4.35	4.54
Return on assets ratio (%)	9.12%	7.40%
Return on equity ratio (%)	15.94%	12.34%
Earnings per share (NT dollar)	6.31	4.46

We started expansion of Apex 3 in Y2020 that made long term loans increase and debt ratio higher. For liquidity, in order to take action of quick-rising price of raw materials and foreseen demand in Q1 2021, account payables and short term loans became higher at the end of 2020 and lower the current ratio. Turnover ratio of account receivables and inventories did not change significantly. Profitability was improved because of increased net profit in 2020.

(4) Research and Development

As a PCB manufacturer, Apex focuses on improvement of production and processing capacity in the hope that the output efficiency and quality can meet the demand of customers.

The achievements Apex accomplished with regard to upgraded, process and design in 2020 are as follows:

- Gold finger process development: Got sample approval from customer
- MES system developing
- ISO 17025 Qualification of Reliability Lab

In 2021, Apex will carry out the following plans:

- Fully automatic Plating production mode
- Micro PAD 160-200um product (support mini LED backlight PCB)
- Near zero waste chemistry water of micro etching process

**2. 2021 Business Outlines**

(1) Business Policies

- A. Concentration on the traditional rigid PCB from single-side to 12 layers.
- B. Increase major customer's allocation to Apex to increase market share.
- C. Continue to develop new customer and its product.
- D. Reduce quality defective parts (DPPM) and ensure total customer satisfaction.
- E. Avoid price erosion by locking in price by half yearly instead of quarterly from price cuts by customers.
- F. Flexible and immediate reaction to market movements.

(2) Projected Sales and Basis of Projection

Apex will keep stabilizing factory operation and cost control by foreseeing possible

sales price competition caused by competitors. Meanwhile, Apex will work hard to maintain competitiveness and progressively develop new customers. Although global demand is unstable caused by pandemic issue, we still feel heat from demand and anticipate revenue could grow in this year.

(3) Production and Marketing Policy

Apex's monthly capacity is expected to reach 650 thousand square meters in Y2021. Our production policy is as follows:

- A. Maintain production at full capacity to help reducing fixed overhead and maximize profit
- B. Setting the standard usage to control high unit price materials
- C. Continue improving production capability including reduction of down time and increase output
- D. Production plan according to customers' order or firm plan
- E. Setting standard period to control work in process outstanding in each process not over 1 day
- F. Continue investigate and analysis defect mode then provide corrective action in order to reduce scrap ratio
- G. Disciplined, safety and 5S management over the long process of manufacturing
- H. Shorten sample lead time to support customer new product development lead time
- I. Set up real time key condition / quality yield rate / output monitoring system. In order to solve out process issue quickly
- J. Enhance PQC real time feedback system with defect trigger alarm signal for monitor process quality and stable process condition

### 3. Future Company Development Strategy

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In the future, Apex will continue to focus on the following key areas:

- (1) Diversify the high-end product application on the Apex 2 due to the upgraded machineries being invested
- (2) Speed up the learning curve on Apex 2 on new products so as to improve her profit structure
- (3) Expand the strategic Korean business from the Home-Appliance Division in addition to what Apex has on the LCD-TV/STB today
- (4) Set up the in-house laboratory for future enhancement and assurance on the Apex PCB reliability
- (5) Keep factory with the constantly high loading rate of 90-95% on both Apex 1 and Apex-2-1/2-2 for best use of the layout capacity
- (6) Establish Product traceability system in order to provide better quality improvement information and risk management
- (7) Develop automatic process to provide consistence quality and reduce handling issued

### 4. Impacts from the External Competitive Environment, Legal Environment and Overall Management Environment

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(1) External Competitive Environment

Competition in the electronic industry has remained fierce and challenges from Chinese suppliers are especially tough. However, because of Apex' objective advantage of being located in Southeast Asia and China's increasingly



disadvantageous policies for low-end PCB businesses, in addition as the happened move-to-south caused by China-US trade war, Apex's complete edges will grow more obvious as time passes. Besides the objective advantage from the geographic location, strict cost and quality control has also created subjective advantages and enabled Apex to meet the demand and expectations of customers.

By keeping a close watch on market developments and competition situations, Apex is able to make various strategic plans in advance, continue to exhibit its strong execution capacity, make precise estimates of customers' orders, and implement its procurement tactics and production-marketing plans in the most efficient way.

Looking at 2021, Apex is confident that it will be able to continue to provide customers with high quality service, punctual deliveries and best quotations.

## (2) The Legal Environment

Every country continues to adopt new regulations. Apex is aware of its social responsibility and will make every necessary effort to comply with such new regulations. The regulations on the governance of listed companies set by the competent authority in Taiwan are growing more and more comprehensive. Apex will adhere to the spirit of corporate governance, manage its business with integrity, strengthen the capacity of the board of directors, perfect the channels for communication with stakeholders, make company information transparent, keep shareholder equity in balance, and fulfill its corporate social responsibility.

## (3) Overall Management Environment

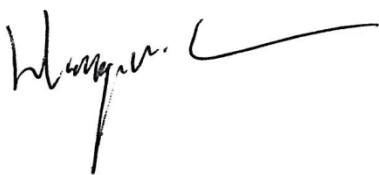
Apex, as a factory located in Thailand, keeps looking for stable sources of orders. In recent years, Apex was always being threatened by PCB competitors from China with their growing capacity and declining price. However Apex keeps pursuing higher internal operating performance in order to meet customers' requirements and provide qualified services. Therefore Apex still successfully developed market in Mainland China in recent years. In 2020, sales proportion of China and Hong Kong was around 20%.

By observing 2020, Apex successfully made profit founded by her solid and long-term management culture. In 2021, our prior goals will be that to stabilize manufacturing ability, to cautiously control production cost and to keep capacity utilization staying at high level.

Competition and challenges will not stop in the future, but Apex is fully prepared. We believe that Apex still can keep growing in such tough environment by our competitive ability and new orders.

Chairman

**Shu-Mu Wang**



Chief Executive Officer

**Jui-Hsiang Chou**



Accounting Managerial  
Personnel

**Shou-Hua Hsu**





Attachment 2

**Apex International Co., Ltd.**  
**Audit Committee's Review Report**

Board of Directors has prepared the Company's 2020 Business Report, Consolidated Financial Statement, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit the Company's Consolidated Financial Statements. KPMG has completed audit procedures and issued Audit Opinion. Business Report, Financial Statements, and Profit Allocation Proposal have been reviewed and determined to be correct and accurate by Audit Committee members of the Company. According to Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, we hereby submit this report.

Apex International Co., Ltd.

Chairman of Audit Committee: **Chau-Chin Su**



Date: March 03, 2021



**Apex International Co., Ltd.**

**CPA Audit Report and Financial Statements**



安侯建業聯合會計師事務所

**KPMG**

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**Independent Auditors' Report**

To the Board of Directors of Apex International Co., Ltd.:

**Opinion**

We have audited the consolidated financial statements of Apex International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matters that

should be disclosed in this audit report are as follows:

## 1. Revenue recognition

Please refer to note 4(n) "Recognition of Revenue" for accounting policy related to revenue recognition, and note 6(r) for the information related to revenue of the consolidated financial statements.

### Description of key audit matter:

The Group entered into agreements or sales orders, with different terms and conditions, with its major customers, which increase the complexity of the timing of revenue recognition. Therefore, the revenue recognition was considered to be one of the key audit matters in our audit.

### How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, as well as the effectiveness of the operation on the control over sales and collection cycle.
- Performing comparison analysis on sales of the current period to last period and the latest quarter, and performing trend analysis on operating income from each top ten customer to assess the existence of any significant exceptions, and further identify and analyze the reasons if there is any significant exception.
- Performing test of detail on sales to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.
- Performing sales cut off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether sales of goods, sales returns and allowances have been appropriately recognized.

## 2. Subsequent measurements of inventories

Please refer to note 4(h) "Inventories" for accounting policy related to subsequent measurements of inventories, note 5(a) for accounting assumptions and estimation uncertainties of inventories and note 6(e) for information related to impairment of inventories of the consolidated financial statements.

### Description of key audit matter:

Inventories of the Group are measured at the lower of cost and net realizable value. The fair value of inventories is vulnerable to the impact of highly competitive market of printed circuit board. Furthermore, high price volatility on raw material this year is likely to increase the risk of loss on market price decline, and as a result, overestimation of the subsequent measurement of inventories is more likely to occur. Therefore, the subsequent measurements of inventories was considered to be one of the key audit matters in our audit.

### How the matter was addressed in our audit:

Our audit procedures included:

- Assessing whether appropriate provision policies for inventories are applied.
- Assessing whether the Group's subsequent measurement of inventories has been evaluated in accordance with the Group's provision policy on a consistent basis.
- Obtaining aging analysis of inventories, assessing the appropriateness of provision set aside for obsolete and slow moving inventories, and examining relevant documents to verify the accuracy of the aging period.
- Obtaining evaluation report of the net realizable value of inventories, assessing

the appropriateness of provision set aside for loss on market price decline, and examining relevant documents to verify the accuracy of sales prices and calculation of net realizable value.

### **3. Impairment of goodwill**

Please refer to note 4(m) "Impairment of non derivative financial assets" for accounting policy related to impairment of goodwill, note 5(b) for accounting assumptions and estimation uncertainties of impairment of goodwill and note 6(i) "Intangible assets" for description related to measurements of impairment of goodwill of the consolidated financial statements.

#### **How the matter was addressed in our audit:**

Goodwill arising from the Merger & Acquisition transaction taken by the Group. Due to the assessment of impairment of goodwill involved forecasting and discounting future cash flows along with several key assumptions, such key assumptions and assessment subject to the management's judgements and the inherent uncertainty is considered as high. Therefore, the impairment of goodwill was considered to be one of the key audit matters in our audit.

#### **Our principal audit procedures included:**

- Obtaining evaluation report of recoverability from the management, and assessing the appropriateness of the use of key assumptions.
- Performing retrospective testing over the future cash flows forecast compiled by the management.
- Performing sensitivity analysis of key assumptions to understand the impact of recoverability from changing of key assumptions.
- Assessing the appropriateness of discount rate applied by the management.
- Assessing whether the goodwill is impaired, if so, whether the impairment loss has been recognized appropriately.

### **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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 Min Ju Chao and Chun Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)

March 03, 2021

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and Equity</b>				
11xx <b>Current assets:</b>					21xx <b>Current liabilities:</b>				
1100 Cash and cash equivalents (notes 6(a) and (f))	\$ 821,682	5	299,901	3	2100 Short-term loans (notes 6(f), (g), (j), 7, 8 and 9)	\$ 1,369,949	9	899,218	8
1110 Financial assets measured at fair value through profit or loss—current (notes 6(b), (l) and (s))	10,592	-	3,474	-	2120 Financial liabilities measured at fair value through profit or loss—current (notes 6(b) and (s))	8,279	-	3,290	-
1150 Notes receivable, net (notes 6(c), (f) and (r))	661	-	-	-	2170 Accounts payable (note 6(f))	2,434,679	16	1,366,881	12
1170 Accounts receivable, net (notes 6(c), (f) and (r))	3,683,750	24	2,871,444	25	2200 Other payables (note 6(f))	504,209	4	385,148	3
1200 Other receivables (note 6(d))	71,042	-	35,726	-	2213 Payable for machinery and equipment (note 6(f))	499,952	3	212,591	2
130x Inventories (notes 6(e) and (f))	2,227,880	15	1,800,906	15	2230 Current tax liabilities (note 6(f))	20,678	-	-	-
1479 Other current assets (note 6(f))	110,197	1	58,044	-	2280 Current lease liabilities (notes 6(f), (h), (m) and 7)	71,422	-	145,310	1
<b>Total current assets</b>	<b>6,925,804</b>	<b>45</b>	<b>5,069,495</b>	<b>43</b>	2321 Current portion of convertible bonds payable (notes 6(l) and (p))	-	-	17,797	-
15xx <b>Non-current assets:</b>					2322 Current portion of long-term loans (notes 6(g), (k), 7 and 8)	297,010	2	422,093	4
1600 Property, plant and equipment (notes 6(f), (g), (h), (j), (k), 8, 9 and 11)	7,516,542	49	6,067,841	52	2399 Other current liabilities (notes 6(f) and (p))	38,479	-	19,393	-
1755 Right of use asset (notes 6(f), (g), (h), (m) and 7)	297,935	2	500,985	4	<b>Total current liabilities</b>	<b>5,244,657</b>	<b>34</b>	<b>3,471,721</b>	<b>30</b>
1780 Intangible assets (notes 6(f), (g) and (i))	188,097	2	34,924	-	25xx <b>Non-current liabilities:</b>				
1840 Deferred tax assets (note 6(o))	25,160	-	16,109	-	2540 Long-term loans (notes 6(g), (k), 7 and 8)	2,030,917	13	679,451	6
1915 Prepayment for equipment (note 6(g))	302,559	2	22,157	-	2570 Deferred tax liabilities (note 6(o))	55,751	-	52,180	-
1920 Refundable deposits (note 6(f))	7,954	-	7,928	-	2580 Non-current lease liabilities (notes 6(f), (h), (m) and 7)	73,633	1	99,050	1
1960 Prepayment for investment (notes 7 and 9)	-	-	83,251	1	2612 Long-term payable	135,118	1	11,033	-
1980 Other financial assets—non current (notes 6(a), (k) and 8)	4,311	-	6,202	-	2670 Other non-current liabilities (notes 6(f) and (n))	67,315	1	49,968	-
<b>Total non-current assets</b>	<b>8,342,558</b>	<b>55</b>	<b>6,739,397</b>	<b>57</b>	<b>Total non-current liabilities</b>	<b>2,362,734</b>	<b>16</b>	<b>891,682</b>	<b>7</b>
					<b>Total liabilities</b>	<b>7,607,391</b>	<b>50</b>	<b>4,363,403</b>	<b>37</b>
					2xxx <b>Equity attributable to owners of parent (notes 6(l) and (p)):</b>				
					31xx Common stock	1,899,380	12	1,890,409	16
					3110 Capital surplus	2,405,512	16	2,396,626	20
					3200 Retained earnings	3,325,984	22	2,697,167	23
					3410 Exchange differences on translation of foreign financial statements	(6,244)	-	428,276	4
					<b>Total equity attributable to owners of parent</b>	<b>7,624,632</b>	<b>50</b>	<b>7,412,478</b>	<b>63</b>
					36xx <b>Non controlling interests (note 6(f))</b>	<b>36,339</b>	<b>-</b>	<b>33,011</b>	<b>-</b>
					3xxx <b>Total equity</b>	<b>7,660,971</b>	<b>50</b>	<b>7,445,489</b>	<b>63</b>
1xxx <b>Total assets</b>	<b>\$15,268,362</b>	<b>100</b>	<b>11,808,892</b>	<b>100</b>	2-3xxx <b>Total liabilities and equity</b>	<b>\$15,268,362</b>	<b>100</b>	<b>11,808,892</b>	<b>100</b>





(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2020 and 2019**

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2020		2019	
	Amount	%	Amount	%
4000 <b>Operating revenue (notes 6(f) and (r))</b>	\$ 11,832,513	100	10,387,249	100
5000 <b>Operating costs (notes 6(e), (g), (h), (i), (m) and (n))</b>	9,325,012	79	8,417,242	81
5900 <b>Gross profit from operations</b>	2,507,501	21	1,970,007	19
6000 <b>Operating expenses (notes 6(c), (f), (g), (h), (i), (m), (n), (p) and 7):</b>				
6100 Selling expenses	715,014	6	589,868	6
6200 Administrative expenses	576,381	5	503,086	5
6300 Research and development expenses	35,150	-	17,694	-
6450 Expected credit loss (reversal of expected credit loss)	(13,155)	-	18,570	-
<b>Total operating expenses</b>	1,313,390	11	1,129,218	11
6900 <b>Operating income</b>	1,194,111	10	840,789	8
7000 <b>Non-operating income and expenses (notes 6(b), (g), (l), (m), (s) and 7):</b>				
7100 Interest income	1,473	-	3,219	-
7010 Other income	36,028	-	15,807	-
7020 Other gains and losses	45,747	-	56,389	1
7050 Finance costs	(38,682)	-	(70,299)	(1)
<b>Total non-operating income and expenses</b>	44,566	-	5,116	-
7900 <b>Profit from continuing operations before tax</b>	1,238,677	10	845,905	8
7951 Less: Income tax expenses (note 6(o))	34,922	-	15,255	-
8200 <b>Profit (note 6(f))</b>	1,203,755	10	830,650	8
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss (notes 6(n) and (o))</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	7	-	3,491	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	13	-
Components of other comprehensive income that will not be reclassified to profit or loss	7	-	3,478	-
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(436,353)	(4)	427,410	4
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(436,353)	(4)	427,410	4
8300 <b>Other comprehensive income (loss)</b>	(436,346)	(4)	430,888	4
8500 <b>Total comprehensive income</b>	\$ 767,409	6	1,261,538	12
<b>Profit, attributable to:</b>				
8610 Owners of parent	\$ 1,198,609	10	827,051	8
8620 Non-controlling interests	5,146	-	3,599	-
	\$ 1,203,755	10	830,650	8
<b>Comprehensive income (loss) attributable to:</b>				
8710 Owners of parent	\$ 764,096	6	1,256,129	12
8720 Non-controlling interests	3,313	-	5,409	-
	\$ 767,409	6	1,261,538	12
<b>Basic earnings per share (expressed in New Taiwan dollars) (note 6(q))</b>				
9750 Basic earnings per share	\$ 6.31		4.46	
9850 Diluted earnings per share	\$ 6.31		4.37	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

## APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Retained earnings					Exchange differences on translation of foreign operation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Special reserve	Unappropriated retained earnings	Total				
<b>Balance at January 1, 2019</b>	\$ 1,702,295	1,944,448	300,256	2,031,633	2,331,889	2,661	5,981,293	27,602	6,008,895
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(465,236)	(465,236)	-	(465,236)	-	(465,236)
Profit	-	-	-	827,051	827,051	-	827,051	3,599	830,650
Other comprehensive income	-	-	-	3,463	3,463	425,615	429,078	1,810	430,888
Total comprehensive income	-	-	-	830,514	830,514	425,615	1,256,129	5,409	1,261,538
Conversion of convertible bonds	188,114	452,178	-	-	-	-	640,292	-	640,292
Balance at December 31, 2019	1,890,409	2,396,626	300,256	2,396,911	2,697,167	428,276	7,412,478	33,011	7,445,489
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(569,799)	(569,799)	-	(569,799)	-	(569,799)
Profit	-	-	-	1,198,609	1,198,609	-	1,198,609	5,146	1,203,755
Other comprehensive income	-	-	-	7	7	(434,520)	(434,513)	(1,833)	(436,346)
Total comprehensive income	-	-	-	1,198,616	1,198,616	(434,520)	764,096	3,313	767,409
Conversion of convertible bonds	8,971	8,886	-	-	-	-	17,857	-	17,857
Changes in non-controlling interests	-	-	-	-	-	-	-	15	15
<b>Balance at December 31, 2020</b>	<b>\$ 1,899,380</b>	<b>2,405,512</b>	<b>300,256</b>	<b>3,025,728</b>	<b>3,325,984</b>	<b>(6,244)</b>	<b>7,624,632</b>	<b>36,339</b>	<b>7,660,971</b>



(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2020 and 2019**

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,238,677	845,905
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	746,514	736,312
Amortization expense	15,004	11,589
Expected credit loss (reversal of expected credit loss)	(13,155)	18,570
Interest expense	38,682	70,299
Interest income	(1,473)	(3,219)
Loss on disposal of property, plant and equipment	16,356	1,639
Gain on lease modifications	(1,440)	(10)
Impairment loss on non-financial assets	17,435	12,165
<b>Total adjustments to reconcile profit</b>	<u>817,923</u>	<u>847,345</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Financial assets measured at fair value through profit or loss	(7,122)	853
Notes receivable	(258)	-
Accounts receivable	(692,678)	753,975
Other receivables	(34,819)	5,620
Inventories	(364,228)	(148,543)
Other current assets	(51,786)	3,387
<b>Total changes in operating assets</b>	<u>(1,150,891)</u>	<u>615,292</u>
<b>Changes in operating liabilities:</b>		
Financial liabilities measured at fair value through profit or loss	4,989	3,099
Notes payable	(7)	-
Accounts payable	986,957	(916,735)
Other payables	111,220	(43,525)
Other current liabilities	17,369	(490)
Other non-current liabilities	1,369	11,466
<b>Total changes in operating liabilities</b>	<u>1,121,897</u>	<u>(946,185)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(28,994)</u>	<u>(330,893)</u>
<b>Total adjustments</b>	<u>788,929</u>	<u>516,452</u>
Cash inflow generated from operations	2,027,606	1,362,357
Interest received	1,473	3,219
Interest paid	(42,689)	(65,822)
Income taxes paid	(20,839)	(14,599)
<b>Net cash flows from operating activities</b>	<u>1,965,551</u>	<u>1,285,155</u>
<b>Cash flows from (used in) investing activities:</b>		
Increase in prepayments for investments	-	(83,251)
Net cash flow from acquisition of subsidiaries (deduct cash acquired)	(163,942)	-
Acquisition of property, plant and equipment	(1,540,644)	(531,793)
Proceeds from disposal of property, plant and equipment	3,534	2,700
Decrease in refundable deposits	216	209
Acquisition of intangible assets	(5,431)	(5,782)
Decrease (increase) in other financial assets	1,891	(6,202)
Increase in prepayments for equipment	(523,753)	(14,143)
<b>Net cash flows used in investing activities</b>	<u>(2,228,129)</u>	<u>(638,262)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	394,084	(463,278)
Proceeds from long-term loans	2,169,945	1,503,667
Repayments of long-term loans	(910,291)	(1,293,798)
Payment of lease liabilities	(138,916)	(207,115)
Cash dividends paid	(569,799)	(465,236)
<b>Net cash flows from (used in) financing activities</b>	<u>945,023</u>	<u>(925,760)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(160,664)</u>	<u>168,500</u>
<b>Net increase in cash and cash equivalents</b>	521,781	(110,367)
<b>Cash and cash equivalents at beginning of period</b>	299,901	410,268
<b>Cash and cash equivalents at end of period</b>	<u>\$ 821,682</u>	<u>299,901</u>

Attachment 4

**Apex International Co., Ltd.**  
**2020 Annual Profit Distribution Table**

Unit: NTD

Items	Total	Notes
Beginning retained earnings	1,827,112,265	
Add: net profit after tax	1,198,609,159	
Add: other comprehensive income	7,036	Caused by actuarial gains from revaluation of defined benefit plan (APT's employee benefit)
Distributable net profit	3,025,728,460	
Distributable items:		
Cash dividend (NTD 3.00 per share)	569,813,964	1. Number of total shares is 189,937,988 shares on February 23, 2021 2. Plan to issue about NTD 3.00 as dividend per share
Stock dividend (NTD 0.00 per share)	0	
Unappropriated retained earnings	2,455,914,496	
Notes:		
Employees' bonus	0	Bonus of each independent director is NTD 240,000, total head count is 3
Directors' bonus	720,000	

Chairman  
**Shu-Mu Wang**



Chief Executive Officer  
**Jui-Hsiang Chou**



Accounting Managerial Personnel  
**Shou-Hua Hsu**



**Apex International Company Limited**  
**Comparison Table of Amendments to "Procedures for Lending Funds to Other Parties"**

After the Amendment	Before the Amendment	Explanation
<p>Article 2 (...)</p> <p><u>The significant standards for the Company's receivables overdue exceed three months is TWD10 million or more and more than 2% of the Company's most recent net value of financial statements. If it meets such standards, it should be made a resolution by the board of directors to confirm whether it is the nature of fund lending, and it shall be announced in accordance with relevant laws and regulations.</u></p> <p>(...)</p>	<p>Article 2 (...)</p> <p>(...)</p>	<p>Conform to the additions to the FAQ issued by the authority.</p>
<p>Article 3</p> <p>The total amount for lending to a company having business relationship with the Company shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending (For the purpose of this Procedure, the "transaction amount" shall mean the sales or purchasing amount between the parties, whichever is higher), and shall not exceed ten percent (10%) of the net worth of the Company. The total amount for lending to a company for funding for a short-term period shall not exceed ten percent (10%) of the net worth of the Company. <b>But</b> this restriction will not apply to inter-company loans of funds between foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, nor to loans of fund to the Company's voting shares are 100% owned,</p>	<p>Article 3</p> <p>The total amount for lending to a company having business relationship with the Company shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending (For the purpose of this Procedure, the "transaction amount" shall mean the sales or purchasing amount between the parties, whichever is higher), and shall not exceed ten percent (10%) of the net worth of the Company. The total amount for lending to a company for funding for a short-term period shall not exceed ten percent (10%) of the net worth of the Company. <u>In addition, the total amount lendable to any one borrower shall be no more than thirty percent (30%) of the borrower's net worth, provided that</u> this restriction will not apply to inter-company loans of funds between foreign companies</p>	<p>Conform to the deletions to the practical operation of the Company.</p>

After the Amendment	Before the Amendment	Explanation
<p>directly or indirectly, by any foreign company. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.</p> <p>(...)</p> <p>The total amount authorized limit for any single borrower of the Company's subsidiary shall not exceed ten percent (10%) of its net worth as stated in the latest financial statements or ten percent (10%) of the Company's net worth, whichever is lower. The total amount available for lending shall not exceed twenty percent (20%) of the Company's net worth or its subsidiary's net worth, whichever is lower.</p>	<p>whose voting shares are 100% owned, directly or indirectly, by the Company, nor to loans of fund to the Company's voting shares are 100% owned, directly or indirectly, by any foreign company. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.</p> <p>(...)</p> <p>The total amount authorized limit for any single borrower of the Company's subsidiary shall not exceed ten percent (10%) of its net worth as stated in the latest financial statements or ten percent (10%) of the Company's net worth, <u>or thirty percent (30%) of each borrower's net worth</u>, whichever is lower. The total amount available for lending shall not exceed twenty percent (20%) of the Company's net worth or its subsidiary's net worth, whichever is lower.</p>	
<p>Article 4</p> <p>The term of each loan extended by the Company shall not exceed one (1) year. The interest rate shall be determined on the basis of the Company's funding costs and adjusted accordingly, but in no event shall it be lower than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a monthly basis. <u>In case of special circumstances, adjustments may be made in accordance with actual conditions after the approval of the board of directors.</u></p>	<p>Article 4</p> <p>The term of each loan extended by the Company shall not exceed one (1) year. The interest rate shall be determined on the basis of the Company's funding costs and adjusted accordingly, but in no event shall it be lower than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a monthly basis.</p>	<p>Conform to the additions to the practical operation of the Company.</p>

## Apex International Co., Ltd.

**Comparison Table of Amendments to "Rules and Procedures of Shareholders' Meeting"**

After the Amendment	Before the Amendment	Explanation
<p>Article 2 (...) The Company 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) <b>before</b> 30 days before the date of a regular shareholders meeting or <b>before</b> 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS <b>before</b> 21 days before the date of the regular shareholders meeting or <b>before</b> 15 days before the date of the special shareholders meeting. In addition, <b>before</b> 15 days before the date of the shareholders meeting, the Company 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 the Company and <b>the professional</b> shareholder services agent <b>designated thereby</b> as well as being distributed on-site at the meeting <b>place</b>. (...)</p>	<p>Article 2 (...) The Company 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) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company 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 the Company and <b>its</b> shareholder services agent as well as being distributed on-site at the meeting <b>venue</b>. (...)</p>	<p>Amended per June 03, 2020 Letter-No. Taiwan-Stock-Governance-1090009468 dated and January 28, 2021 Letter-No. Taiwan-Stock-Governance-1100001446 of the Taiwan Stock Exchange Corporation.</p>



After the Amendment	Before the Amendment	Explanation
<p><u>Election</u> or <u>dismissal</u> of directors, <u>amendments to the articles</u> of <u>incorporation</u>, 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, dissolution, merger, spin-off, or any <u>matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be <u>set out</u> and the essential contents explained in the notice <u>of the reasons for convening the</u> shareholders <u>meeting. None of the above matters may be raised by an extraordinary motion.</u></p> <p>(...)</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may <u>submit</u> to the Company a <u>proposal</u> for discussion at an annual general meeting. <u>The number of items so proposed,</u> however, <u>is</u> limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p><u>A shareholder may submit proposal for urging the Company to promote public interests or fulfill its social responsibilities, but shall be</u></p>	<p><u>Matters pertaining to election</u> or <u>discharge</u> of directors, <u>alteration of the Articles</u> of <u>Incorporation</u>, 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, dissolution, merger, spin-off, or any <u>matters as set forth in Paragraph I, Article 185 hereof</u> shall be <u>itemized in the</u> <u>causes or subjects to be described</u> and the essential contents <u>shall be explained in the notice to convene a meeting of</u> shareholders, <u>and shall not be brought up as</u> <u>extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</u></p> <p>(...)</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may <u>propose</u> to the Company <u>in writing or any electronic means designated by the Company</u> a <u>matter</u> for discussion at an annual general meeting. <u>Such proposals,</u> however, <u>are</u> limited to one <u>item</u> only. <u>A shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors,</u> and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any</p>	

After the Amendment	Before the Amendment	Explanation
<p><u>limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Act under the procedures. Only one matter shall be allowed in each proposal, if a proposal contains more than one matter, such proposal shall not be included in the agenda.</u></p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce <u>its acceptance of</u> shareholder proposals in writing or <u>electronically</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. (...)</p>	<p>subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce <u>that it will receive</u> shareholder proposals in writing or <u>by way of electronic transmission</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. (...)</p>	
<p>Article 8 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 in the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time <u>and announce relevant information such as the number of non-voting rights and the number of shares present.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1</p>	<p>Article 8 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 in the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than</p>	<p>Same as above.</p>

After the Amendment	Before the Amendment	Explanation
<p>hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 13 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected <u>and the list of directors who lose elections with the number of voting rights those director obtained.</u> The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and</p>	<p>Article 13 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. 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 1 year. If, however, a shareholder files a lawsuit pursuant to Article</p>	<p>Same as above.</p>

After the Amendment	Before the Amendment	Explanation
kept in proper custody for at least 1 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.	189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	

## Apex International Company Limited

### Comparison Table of Amendments to "Procedures for Election of Directors"

After the Amendment	Before the Amendment	Explanation
<p>Article 1</p> <p><u>Except as</u> otherwise provided by <u>law</u> and <u>regulation or by</u> the <u>Company's articles</u> of <u>incorporation, elections of</u> directors shall be <u>conducted</u> in accordance with <u>these Procedures</u>.</p>	<p>Article 1</p> <p><u>Unless</u> otherwise provided by <u>laws</u> and the <u>Articles</u> of <u>Incorporation,</u> <u>the</u> directors <u>of this Company</u> shall be <u>elected</u> in accordance with <u>the rules specified herein</u>.</p>	<p>Amended per June 03, 2020 Letter-No. Taiwan-Stock-Governance-1090009468 of the Taiwan Stock Exchange Corporation.</p>
<p>Article 2</p> <p>The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. <u>The</u> composition of the board of directors <u>shall be determined by taking diversity into consideration</u> and <u>formulating an appropriate policy on diversity</u> based <u>on the company's business operations, operating dynamics,</u> and development <u>needs. It is advisable that the policy</u> include, <u>without being</u> limited to, the following two <u>general standards</u>:</p> <ol style="list-style-type: none"> <li>1. Basic <u>requirements</u> and <u>values</u>: <u>Gender,</u> age, nationality, <u>and</u> culture.</li> <li>2. <u>Professional knowledge and skills</u>: <u>A professional background</u> (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</li> </ol> <p>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:</p> <ol style="list-style-type: none"> <li>1. The ability to make judgments about operations.</li> <li>2. Accounting and financial</li> </ol>	<p>Article 2</p> <p>The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. <u>Where diversification shall be taken into account in the</u> composition of the board of directors, <u>a proper</u> and <u>diversified principle shall be drafted</u> based <u>upon its operation,</u> business <u>model</u> and <u>requirement for</u> development <u>which may</u> include <u>but not</u> limited to the following two <u>dimensions</u>:</p> <ol style="list-style-type: none"> <li>1. Basic <u>requirement</u> and <u>value</u>: <u>gender,</u> age, nationality, culture, <u>etc.</u></li> <li>2. <u>Expertise and know-how</u>: <u>specialty</u> (e.g. law, accounting, industry, finance, marketing <u>or</u> technology), professional skills and industry experience <u>and so on</u>.</li> </ol> <p>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:</p> <ol style="list-style-type: none"> <li>1. The ability to make judgments about operations.</li> <li>2. Accounting and financial</li> </ol>	<p>Wording change.</p>

After the Amendment	Before the Amendment	Explanation
<p>analysis ability.</p> <p>3. Business management ability.</p> <p>4. Crisis management ability.</p> <p>5. Knowledge of the industry.</p> <p>6. An international market perspective.</p> <p>7. Leadership ability.</p> <p>8. Decision-making ability.</p> <p>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.</p> <p>The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.</p>	<p>analysis ability.</p> <p>3. Business management ability.</p> <p>4. Crisis management ability.</p> <p>5. Knowledge of the industry.</p> <p>6. An international market perspective.</p> <p>7. Leadership ability.</p> <p>8. Decision-making ability.</p> <p>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.</p> <p>The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.</p>	
<p>Article 3</p> <p><u>The qualifications for the independent directors of the Company 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 the Company 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/TPEX Listed Companies.</u></p>	<p>Article 3</p> <p><u>An independent director of the Company shall meet one of the following professional qualification requirements, together with at least five-year work experience:</u></p> <p><u>1. An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university;</u></p> <p><u>2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.</u></p> <p><u>3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</u></p> <p><u>A person to whom any of the following circumstances applies</u></p>	<p>Amended per June 03, 2020 Letter-No. Taiwan-Stock-Governance-1090009468 of the Taiwan Stock Exchange Corporation.</p>

After the Amendment	Before the Amendment	Explanation
	<p><u>may not serve as an independent director, or if already serving in such capacity, shall ipso facto be dismissed:</u></p> <ol style="list-style-type: none"> <li><u>1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.</u></li> <li><u>2. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</u></li> <li><u>3. Any violation of the independent director qualification requirements set out in these Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</u></li> </ol>	
<p><b>【Deleted】</b></p>	<p><u>Article 4</u></p> <p><u>During the two years before being elected or during the term of office, an independent director of the Company may not have been or be any of the following:</u></p> <ol style="list-style-type: none"> <li><u>1. An employee of the company or any of its affiliates.</u></li> <li><u>2. A director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.</u></li> <li><u>3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</u></li> </ol>	<p>The provisions of the original Article 4 are merged into Article 3.</p>



After the Amendment	Before the Amendment	Explanation
	<p><u>4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.</u></p> <p><u>5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company or that holds shares ranking in the top five in holdings.</u></p> <p><u>6. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</u></p> <p><u>7. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</u></p> <p><u>The requirement of the preceding paragraph in relation to "during the two years before being elected" does not apply where an independent director of the Company has served as an independent director of the</u></p>	

After the Amendment	Before the Amendment	Explanation
	<p><u>company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 6 of the preceding paragraph, but is currently no longer in that position. The term "specified company or institution" as used in paragraph 1, subparagraph 6, means a company or institution that has one of the following relationships with the company:</u></p> <ol style="list-style-type: none"> <li><u>1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company;</u></li> <li><u>2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the public company, and there is a record of financial or business transactions between it and the public company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.</u></li> <li><u>3. It, together with any of its affiliates, serves as a source of 30 percent or more of the operating revenue of the public company.</u></li> <li><u>4. It, together with any of its affiliates, serves as a source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are</u></li> </ol>	

After the Amendment	Before the Amendment	Explanation
	<p><u>indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the public company.</u></p> <p><u>For the purposes of paragraph 1 and the preceding paragraph, the terms "parent" and "affiliate" shall have the meaning given in IFRSs issued by FSC.</u></p>	
【Deleted】	<p><u>Article 5</u></p> <p><u>No independent director of the Company may concurrently serve as an independent director of more than three other public companies.</u></p>	The provisions of the original Article 5 are merged into Article 3.
【Deleted】	<p><u>Article 6</u></p> <p><u>The election of independent directors at the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the articles of incorporation of the company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates.</u></p> <p><u>The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.</u></p> <p><u>The Company may present a slate of independent director candidates nominated by the methods set out below, and, upon</u></p>	The provisions of the original Article 6 are merged into Article 3.

After the Amendment	Before the Amendment	Explanation
	<p><u>evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections:</u></p> <ol style="list-style-type: none"> <li><u>1. A shareholder holding one percent or more of the total number of issued shares may present a slate of independent director candidates in writing to the company; the number of nominees may not exceed the number of independent directors to be elected.</u></li> <li><u>2. The board of directors presents a slate of independent director candidates; the number of nominees may not exceed the number of independent directors to be elected.</u></li> <li><u>3. Otherwise as designated by the competent authority.</u></li> </ol> <p><u>When providing a recommended slate of independent director candidates under the preceding paragraph, a shareholder or the board of directors shall include in the documentation attached thereto each nominee's name, educational background, work experience, a written undertaking indicating the nominee's consent to serve as an independent director if elected as such, a written statement that none of the circumstances in Article 30 of the Company Act exists, and other relevant documentary proof.</u></p> <p><u>When calling a shareholders' meeting for the purpose of independent director elections, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each independent director nominee; except under any of the following</u></p>	

After the Amendment	Before the Amendment	Explanation
	<p><u>circumstances, all qualified nominees shall be included in the slate of independent director candidates:</u></p> <ol style="list-style-type: none"> <li><u>1. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.</u></li> <li><u>2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, paragraph 2 or 3 of the Company Act.</u></li> <li><u>3. Where the number of nominees exceeds the number of independent directors to be elected.</u></li> <li><u>4. Where the relevant documentary proof required under the preceding paragraph is not attached.</u></li> </ol> <p><u>If an independent director candidate included by a public company under the provisions of the preceding paragraph has already served as an independent director of the public company for three consecutive terms or more, the company shall publicly disclose, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting.</u></p> <p><u>The directors of the Company shall be elected in accordance with Article 198 of the Company Act, with independent and non-independent directors elected at the same time, but in separately calculated numbers. If the Company has established an audit</u></p>	

After the Amendment	Before the Amendment	Explanation
	<u>committee under the Act, at least one of its independent directors is required to have accounting or financial expertise.</u>	
【Deleted】	<u>Article 7</u> <u>If an independent director elected at a shareholders' meeting, or appointed by a financial holding company, the government, or a corporate shareholder under Article 7, is required to be dismissed during the term of office for reason of a violation of Article 2 or 3, it is prohibited to change the status of the person from independent director to non-independent director. A non-independent director elected at a shareholders' meeting, or appointed by a financial holding company, the government, or a corporate shareholder under Article 7, likewise may not be arbitrarily changed from a non-independent director to an independent director during the term of office.</u>	The provisions of the original Article 7 are merged into Article 3.
<p>Article <u>4</u> <u>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</u></p> <p><u>When</u> the number of directors falls below <u>five</u> due to the dismissal of a director for any reason, the Company 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 the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence</p>	<p>Article <u>8</u></p> <p><u>According to the Articles of Incorporation of the Company,</u> <u>when</u> the number of directors falls below <u>three</u> due to the dismissal of a director for any reason, the Company 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 the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence</p>	Amended per December 19, 2018 FSC-Enforcement Letter-No. Financial-Supervisory-Securities-Corporate-1070345233 of the Financial Supervisory Commission and change the article number.

After the Amendment	Before the Amendment	Explanation
<p>to hold a by-election to fill the vacancies.</p> <p>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.</p>	<p>to hold a by-election to fill the vacancies.</p> <p>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, <u>or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM,</u> 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.</p>	
<p>Article <u>5</u></p> <p>The cumulative voting method <u>shall</u> be used for election of the directors at the Company. 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.</p>	<p>Article <u>9</u></p> <p>The <u>open-ballot</u>, cumulative voting method <u>will</u> be used for election of the directors at the Company. 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.</p>	<p>Change the article number and wording change.</p>
<p>Article <u>6</u></p> <p>The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors 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.</p>	<p>Article <u>10</u></p> <p>The board of directors shall prepare separate ballots for directors <u>and supervisors</u> in numbers corresponding to the directors <u>or supervisors</u> 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</p>	<p>Delete the part of the clause related to the supervisor and change the article number.</p>



After the Amendment	Before the Amendment	Explanation
	recording the names of voting shareholders.	
<p>Article <u>7</u>  The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p>Article <u>11</u>  The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	Change the article number.
<p>Article <u>8</u>  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 ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</p>	<p>Article <u>12</u>  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 ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</p>	Change the article number.
<p>【Delete】</p>	<p><u>Article 13</u>  <u>If the candidate is a shareholder of the Company, voters shall fill in the "candidate" column of the ballot the candidate's name and shareholder's number. If the candidate is not a shareholder of the Company, voters shall fill in the "candidate" column the candidate's full name and ID card number. However, when the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of</u></p>	<p>Amended per April 25, 2019 FSC- Enforcement Letter-No. Financial-Supervisory-Securities-Trading-108 0311451 of the Financial Supervisory Commission.</p>

After the Amendment	Before the Amendment	Explanation
	<p><u>their representative(s) should be filled in the column. When there are multiple representatives, the names of each respective representative shall be entered.</u></p>	
<p>Article <u>9</u>  <u>A ballot is invalid</u> under <u>any of</u> the following <u>circumstances</u>:</p> <ol style="list-style-type: none"> <li>1. <u>The ballot was</u> not prepared by <u>a person with the right to convene.</u></li> <li>2. <u>A blank ballot is</u> placed in the ballot box.</li> <li>3. The writing is unclear and indecipherable or has been altered.</li> <li>4. The candidate <u>whose name is</u> entered in the ballot <u>does not conform to the director candidate list.</u></li> <li>5. <u>Other words or marks are entered</u> in addition to the number of voting rights allotted.</li> </ol>	<p>Article <u>14</u>  <u>Ballots shall be deemed void</u> under the following <u>conditions</u>:</p> <ol style="list-style-type: none"> <li>1. <u>Ballots were</u> not prepared by <u>the board of directors;</u></li> <li>2. <u>Blank ballots are</u> placed in the ballot box;</li> <li>3. The writing is unclear and indecipherable or has been altered.</li> <li>4. The candidate entered in the ballot <u>is a shareholder of the Company, but the account name and shareholder's number of the candidate are inconsistent with those given in the shareholders' register; or the candidate entered in the ballot is not a shareholder of the Company, but the name and ID card number of the candidate do not match after a cross-check;</u></li> <li>5. <u>Ballots with other written characters or symbols</u> in addition to <u>candidate's account name (full name) or shareholder's number (ID card number) and</u> the number of voting rights allotted;</li> <li>6. <u>The name of the candidate filled in the ballots is the same as another candidate's name, but no shareholder's number (ID card number) is provided in the ballot to identify such individual;</u></li> <li>7. <u>Ballots are not placed in the ballot box;</u></li> <li>8. <u>The number of candidates filled in the ballot exceeds the number of the seats to be elected.</u></li> </ol>	<p>Amended per Article 173 of the Company Act of the Republic of China and April 25, 2019 FSC-Enforcement Letter-No. Financial-Supervisory-Securities-Trading-1080311451 of the Financial Supervisory Commission and change the article number.</p>
<p>Article <u>10</u></p>	<p>Article <u>15</u></p>	<p>Pursuant to</p>

After the Amendment	Before the Amendment	Explanation
<p>The <u>voting rights</u> shall be calculated <u>on site immediately</u> after the end of the <u>poll</u>, and the results of the <u>calculation</u>, shall be announced by the <u>chair on the site</u>.</p> <p>The ballots for the election <u>referred to</u> in the preceding paragraph shall be <u>sealed with the signatures of the monitoring personnel and kept in proper custody</u> 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.</p>	<p>The <u>ballots</u> shall be calculated <u>during the meeting right</u> after the end of the <u>vote casting</u>, and the results of the <u>election</u> shall be announced by the <u>Chairman at the meeting, including the list of persons elected as directors and the voting rights</u>.</p> <p>The ballots for the election in the preceding paragraph shall be <u>held in safekeeping</u> for at least one year <u>after the scrutineers sign across the seal</u>. 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.</p>	<p>practical operational needs and change the article number.</p>
<p>Article <u>11</u> These <u>Procedures</u>, and any <u>amendments hereto</u>, shall <u>be implemented</u> after approval <u>by a shareholders</u> meeting.</p>	<p>Article <u>16</u> These <u>Rules</u> and any <u>revision thereof</u> shall <u>become effective</u> after approval <u>at the shareholders'</u> meeting.</p>	<p>Change the article number and wording change.</p>