



# **2021**

**Apex International Co., Ltd.**

2021 Annual General Meeting  
Meeting Handbook  
(Translation)

*(The Meeting Handbook is 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 Meeting Handbook, the Chinese version shall prevail.)*

Date of the Meeting : May 31, 2021 at 09:00 a.m.

Place of the Meeting : Sunworld Dynasty Hotel, VIP1

(2F, 100, Dunhua N. Rd., Taipei City, Taiwan R.O.C.)

## Table of Contents

<b>I. Meeting Procedures</b>	<b>02</b>
<b>II. Meeting Agenda</b>	<b>03</b>
1. Report Items	
2. Approval Items	
3. Discussion Items	
4. Extemporaneous Motions	
5. Meeting Adjourn	
<b>III. Attachments</b>	<b>08</b>
1. 2020 Operation Results	
2. Audit Committee's Review Report	
3. CPA Audit Report and Financial Statements	
4. 2020 Annual Profit Distribution Table	
5. Comparison Table of Amendments to "Procedures for Lending Funds to Other Parties"	
6. Comparison Table of Amendments to "Rules and Procedures of Shareholders' Meeting"	
7. Comparison Table of Amendments to "Procedures for Election of Directors"	
<b>IV. Appendice</b>	<b>43</b>
1. Rules and Procedures of Shareholders' Meeting	
2. Memorandum of Association and Articles of Association	
3. Shareholdings of All Directors	
4. Effect to Operating Performance and Earnings Per Share Resulting from Stock Dividend Distribution	
5. Relevant Information on Proposals Made by Shareholders	



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## MEETING PROCEDURES

### **Apex International Co., Ltd. 2021 Annual General Meeting Procedures**

- Call Meeting to Order
  
- Chairman's Remarks
  
- Report Items
  
- Approval Items
  
- Discussion Items
  
- Extemporaneous Motions
  
- Meeting Adjourn

## MEETING AGENDA

**Apex International Co., Ltd.**  
**2021 Annual General Meeting Agenda**  
(Translation)

Date : May 31, 2021 at 09:00 a.m.

Place : Sunworld Dynasty Hotel, VIP 1

(2F., 100, Dunhua N. Rd., Taipei City, Taiwan R.O.C.)

1. Report Items
  - 1.1. 2020 Operation Report
  - 1.2. 2020 Final Accounting Books and Financial Statements Reviewed by Audit Committee
2. Approval Items
  - 2.1 Acceptance of the 2020 Final Accounting Books and Financial Statements
  - 2.2 Acceptance of the 2020 Annual Distribution of Earning of the Company
3. Discussion Items
  - 3.1 Amendment to the "Procedures for Lending Funds to Other Parties" of the Company
  - 3.2 Amendment to the "Rules and Procedures of Shareholders' Meeting" of the Company
  - 3.3 Amendment to the "Procedures for Election of Directors" of the Company
4. Extemporaneous Motions
5. Meeting Adjourn

## Report Items

- (1) 2020 Operation Report  
2020 Operation Report, please refer to Attachment 1.
  
- (2) 2020 Final Accounting Books and Financial Statements Reviewed by Audit Committee  
2020 Final Accounting Books and Financial Statements Reviewed by Audit Committee, please refer to Attachment 2.

## 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.

Resolved:

- (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.

Resolved:

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## 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.

Resolved:

- (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.

Resolved:

- (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.

Resolved:

## **Extemporaneous Motions**

## **Meeting Adjourn**





## 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 receivables 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

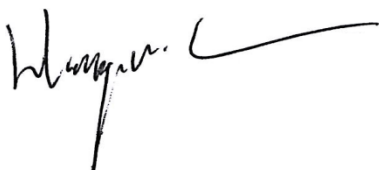
Apex, as a factory located in Thailand, keeps looking for stable sources of orders. In recent years, Apex was always being threatened by PCB competitors from China with their growing capacity and declining price. However Apex keeps pursuing higher internal operating performance in order to meet customers' 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**





**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**

A handwritten signature in blue ink, appearing to read "Chau-Chin Su", is written over a faint, large, stylized watermark of the same name.

Date: March 03, 2021

**Apex International Co., Ltd.**  
**CPA Audit Report and Financial Statements**



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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>	<u>6,925,804</u>	<u>45</u>	<u>5,069,495</u>	<u>43</u>	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>	<u>5,244,657</u>	<u>34</u>	<u>3,471,721</u>	<u>30</u>
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>	<u>8,342,558</u>	<u>55</u>	<u>6,739,397</u>	<u>57</u>		<b>Total non-current liabilities</b>	<u>2,362,734</u>	<u>16</u>	<u>891,682</u>	<u>7</u>
							<b>Total liabilities</b>	<u>7,607,391</u>	<u>50</u>	<u>4,363,403</u>	<u>37</u>
						2xxx	<b>Total liabilities</b>				
						31xx	<b>Equity attributable to owners of parent (notes 6(l) and (p)):</b>				
						3110	Common stock	1,899,380	12	1,890,409	16
						3200	Capital surplus	2,405,512	16	2,396,626	20
						3300	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>	<u>7,624,632</u>	<u>50</u>	<u>7,412,478</u>	<u>63</u>
						36xx	<b>Non controlling interests (note 6(f))</b>	36,339	-	33,011	-
						3xxx	<b>Total equity</b>	<u>7,660,971</u>	<u>50</u>	<u>7,445,489</u>	<u>63</u>
1xxx	<b>Total assets</b>	<u>\$15,268,362</u>	<u>100</u>	<u>11,808,892</u>	<u>100</u>	2-3xxx	<b>Total liabilities and equity</b>	<u>\$15,268,362</u>	<u>100</u>	<u>11,808,892</u>	<u>100</u>

(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								
	Common stock	Capital surplus	Special reserve	Retained earnings		Exchange differences on translation of foreign operation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
				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>	<u>521,781</u>	<u>(110,367)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>299,901</u>	<u>410,268</u>
<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	
Directors' bonus	720,000	Bonus of each independent director is NTD 240,000, total head count is 3

Chairman  
**Shu-Mu Wang**

Chief Executive Officer  
**Jui-Hsiang Chou**

Accounting Managerial Personnel  
**Shou-Hua Hsu**

## Attachment 5

**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</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</p>	<p>Conform to the deletions to the practical operation of the Company.</p>



After the Amendment	Before the Amendment	Explanation
<p>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, 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>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, 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</u> Article 185, <u>Paragraph 1 of the Company Act</u> , <u>Articles 26-1 and 43-6 of the Securities and Exchange Act</u>, or <u>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</u>. <u>None of the above matters may be raised by an extraordinary motion</u>.</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.  <u>A shareholder may submit proposal for urging the Company to</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</u>, Article 185 <u>hereof</u> shall be <u>itemized in the</u> <u>causes or subjects to be described</u> and the essential contents <u>shall be</u> explained in the notice <u>to convene a meeting of</u> shareholders, <u>and shall not be brought up as</u> <u>extemporary motions</u>; <u>the essential contents may be posted on the</u> <u>website designated by the</u> <u>competent authority in charge of securities affairs or the company</u>, <u>and such website shall be</u> <u>indicated in the above notice</u>.</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</u> <u>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</p>	

After the Amendment	Before the Amendment	Explanation
<p><u>promote public interests or fulfill its social responsibilities, but shall be 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>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>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</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</p>	<p>Same as above.</p>



After the Amendment	Before the Amendment	Explanation
<p>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 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>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>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</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</p>	<p>Same as above.</p>

After the Amendment	Before the Amendment	Explanation
<p>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 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>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>	



**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 and formulating an appropriate policy on diversity based 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> </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 and 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> </ol>	<p>Wording change.</p>



After the Amendment	Before the Amendment	Explanation
<p>2. Accounting and financial 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>2. Accounting and financial 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.</u></p> <p><u>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>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>A person to whom any of the following circumstances applies 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</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>total number of issued shares of the company or ranking in the top 10 in holdings.</u></p> <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"</u></p>	



After the Amendment	Before the Amendment	Explanation
	<p><u>does not apply where an independent director of the Company has served as an independent director of the 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</u></li></ol>	

After the Amendment	Before the Amendment	Explanation
	<p><u>volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are 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>	
<p><b>【Deleted】</b></p>	<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>	<p>The provisions of the original Article 5 are merged into Article 3.</p>
<p><b>【Deleted】</b></p>	<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. 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</u></p>	<p>The provisions of the original Article 6 are merged into Article 3.</p>

After the Amendment	Before the Amendment	Explanation
	<p><u>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 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</u></p>	

After the Amendment	Before the Amendment	Explanation
	<p><u>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 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>	

After the Amendment	Before the Amendment	Explanation
	<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 committee under the Act, at least one of its independent directors is required to have accounting or financial expertise.</u></p>	
<p><b>【Deleted】</b></p>	<p><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></p>	<p>The provisions of the original Article 7 are merged into Article 3.</p>
<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</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</p>	<p>Amended per December 19, 2018 FSC-Enforcement Letter-No. Financial-Supervisory-Securities-Corporate-1070345233 of the Financial Supervisory Commission and change</p>

After the Amendment	Before the Amendment	Explanation
<p>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 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 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 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>the article number.</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</p>	<p>Article <u>10</u></p> <p>The board of directors shall prepare separate ballots for directors <u>and supervisors</u> in</p>	<p>Delete the part of the clause related to the</p>



After the Amendment	Before the Amendment	Explanation
<p>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>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 recording the names of voting shareholders.</p>	<p>supervisor and change the article number.</p>
<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>	<p>Change the article number.</p>
<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>	<p>Change the article number.</p>
<p><b>【Delete】</b></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</u></p>	<p>Amended per April 25, 2019 FSC- Enforcement Letter-No.</p>

After the Amendment	Before the Amendment	Explanation
	<p><u>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 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>Financial-Supervisory-Securities-Trading-1080311451 of the Financial Supervisory Commission.</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</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>



After the Amendment	Before the Amendment	Explanation
	<p><u>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></p> <p><u>7. Ballots are not placed in the ballot box;</u></p> <p><u>8. The number of candidates filled in the ballot exceeds the number of the seats to be elected.</u></p>	
<p>Article <u>10</u> 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>Article <u>15</u> 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>Pursuant to 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' meeting</u>.</p>	<p>Change the article number and wording change.</p>

## APPENDICES

### Appendix 1

#### **Apex International Co., Ltd. Rules and Procedures of Shareholders' Meeting**

1. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

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 its shareholder services agent as well as being distributed on-site at the meeting venue.

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

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporaneous 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.

The convening of Shareholders' Meeting has stated the election of directors and the date of appointment. After the re-election of Shareholders' Meeting is completed, the same meeting can not change its appointment date by extraordinary motions or other means.

A shareholder holding 1 percent or more of the total number of issued shares may propose to the Company in writing or any electronic means designated by the Company a matter for discussion at an annual general meeting. Such proposals, however, are limited to one item only. 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, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
5. The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation shall not arbitrarily ask additional certificates to those used in shareholder attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

6. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board and attended by a majority of the directors and at least one representative from each functional committee. The attendance shall be recorded in the minutes of the shareholders meeting.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

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

The recorded materials stated in the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the



Company Act, the recording shall be retained until the conclusion of the litigation.

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 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.

9. If a shareholders meeting is convened by the board of directors, relevant proposals (including extraordinary motions and amendments to original proposals) shall be voting by poll, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote and arrange sufficient voting time.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually



speech shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

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

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

11. Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to





the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

14. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in

electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including shares represented).

When there is an election of directors, the votes received of each Director elect shall be disclosed, and shall be retained for the duration of the existence of the Company.

15. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

16. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

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

17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

18. These Rules and Procedures shall be effective from the date of their approval by the Shareholders' Meeting. The same applies in case of revision.

*This "Rules and Procedures of Shareholders' Meeting", with reference to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced on January 02, 2020, was approved by the Board of Directors on March 10, 2020 and approved by the Shareholders' Meeting on June 05, 2020 and are added and amended in consideration of the operation practice.*



Appendix 2

**Apex International Co., Ltd.**  
**Memorandum of Association and Articles of Association**

THE COMPANIES LAW (2020 REVISION)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED  
MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

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**APEX INTERNATIONAL CO., LTD.**

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**(adopted by Special Resolution dated June 05, 2020)**

THE COMPANIES LAW (2020 REVISION)  
COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION  
OF  
Apex International Co., Ltd.  
(adopted by Special Resolution dated June 05, 2020)**

1. The name of the Company is Apex International Co., Ltd.
2. The Registered Office shall be at the offices of Portcullis (Cayman) Ltd., The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (2020 Revision).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NTD3,000,000,000.00 divided into 300,000,000 shares of a nominal or par value of NTD10.00 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.



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**THE COMPANIES LAW (2020 REVISION)**  
**COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
APEX INTERNATIONAL CO., LTD.  
(adopted by Special Resolution dated June 05, 2020)

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**INTERPRETATION**

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2020 Revision) shall not apply to this Company.
2. (a) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:
  - (i) **Applicable Law** the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
  - (ii) **Applicable Public Company Rules** the ROC laws, rules and regulations (including, without limitation, the Company Act, the Securities and Exchange Law, the rules and regulations promulgated by the FSC and rules and regulations promulgated by the TPEX or TWSE (as applicable), as amended from time to time) affecting the public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
  - (iii) **Articles** these articles of association as from time to time amended by special resolution;
  - (iv) **Audit Committee** means the audit committee under the Board, which shall comprise solely the Independent Directors of the Company;
  - (v) **Board** the board of Directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
  - (vi) **Capital Reserve** means the premium paid on the issuance of any share and income from donation received by the Company;
  - (vii) **Cayman Islands company** means a company formed and registered under the Law or an existing Cayman Islands company;
  - (viii) **Company** Apex International Co., Ltd.;
  - (ix) **Compensation** means the compensation committee under the

	Committee	Board;
(x)	Dissenting Member	has the same meaning as in Article 23.2;
(xi)	Directors	a director, including a sole director, for the time being of the Company and shall include any and all Independent Directors;
(xii)	Electronic Record	has the same meaning as in the Electronic Transactions Law;
(xiii)	Electronic Transactions Law	means the Electronic Transactions Law (2003) of the Cayman Islands;
(xiv)	Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
(xv)	FSC	the Financial Supervisory Commission of the ROC;
(xvi)	Independent Directors	the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;
(xvii)	Law	the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
(xviii)	Market Observation Post System	means the public company reporting system maintained by the Taiwan Stock Exchange Corporation, via <a href="http://newmops.tse.com.tw/">http://newmops.tse.com.tw/</a> ;
(xix)	Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such person, as the context so requires;
(xx)	Memorandum	the memorandum of association of the Company as from time to time amended by a special resolution;
(xxi)	Merger	means: (a) a "merger" or "consolidation" as defined under the Law; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
(xxii)	month	a calendar month;



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(xxiii) notice	written notice as further provided in these Articles unless otherwise specifically stated;
(xxiv) Officer	any person appointed by the Board to hold an office in the Company;
(xxv) ordinary resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast;
(xxvi) Preferred Shares	has the meaning given thereto in Article 5.2;
(xxvii) Private Placement	means the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
(xxviii) Register of Directors and Officers	the register of directors and officers referred to in these Articles;
(xxix) Registered Office	the registered office of the Company for the time being;
(xxx) Register of Members	the principal register and where applicable, any branch Register of Members to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time and referred to in these Articles;
(xxxi) Restricted Shares	has the meaning given thereto in Article 3.9;
(xxxii) ROC	means Taiwan, the Republic of China;
(xxxiii) Seal	the common seal or any official or duplicate seal of the Company;
(xxxiv) Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
(xxxv) share	a share in the Company and includes a fraction of a share;
(xxxvi) Shareholders' Service Agent	means, in respect of any class of share capital, the principal place of business of such security agent of the Company located in the ROC as the Board may from time to time determine to keep a Register of Members in respect of that class of share capital in accordance with the Law;
(xxxvii) special resolution	a resolution shall be a special resolution when it has been passed by a majority of not less than two-thirds of the votes cast by such Member as, being entitled so to do, vote in person or, in the case of such Members are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the

		quorum is present and not less than fifteen days' notice specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given;
		a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles;
(xxxviii)	Subsidiary	means, with respect to any company, (1) the entity, one-half or more of whose total number of the issued voting shares or the total amount of the capital stock are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one-half or more of whose executive shareholders or board directors are concurrently acting as the executive shareholders or board directors of such company; and (4) the entity, one-half or more of whose total number of issued voting shares or the total amount of the capital stock are held by the same shareholder(s) of such company;
(xxxix)	supermajority resolution	a resolution adopted by a vote of the Members who represent one-half or more of the total number of issued shares entitled to vote at a general meeting attended by Members who represent two-thirds or more of the total number of issued shares of the Company or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total number of issued shares of the Company, but more than one-half of the total number of issued shares of the Company, means instead, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the total number of issued shares entitled to vote on such resolution;
(xl)	TDCC	the Taiwan Depository and Clearing Corporation;
(xli)	TPEX	the Taipei Exchange (formerly GreTai Securities Market);
(xlii)	Treasury Share	a share that was previously issued but was repurchased, redeemed or surrendered and not cancelled;
(xliii)	TWSE	the Taiwan Stock Exchange Corporation; and
(xliv)	year	a calendar year.
(xlv)	Non TWSE-Listed or TPEX-Listed Company	a company whose shares are neither listed on the TWSE nor the TPEX;
(xlvi)	share swap	an act wherein the shareholders of a company transfer all of the company's issued shares to another company, such company issue its shares or pays cash





- or other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Public Company Rules;
- (xlvii) spin-off an act wherein a transferor company transfers all or part of its independently operated business to an existing or a newly incorporated company and that existing transferee company or newly incorporated transferee company issues shares, or pays cash or other property to the transferor company or to shareholders of the transferor company as consideration in accordance with the Applicable Public Company Rules;
- (b) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (c) In these Articles unless the context otherwise requires:
- (i) words importing the singular number shall include the plural number and vice-versa;
  - (ii) words importing the masculine gender only shall include the feminine gender;
  - (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not;
  - (iv) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form, including the form of an Electronic Record; and
  - (v) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (d) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

## SHARES

### 3. Power to Issue Shares

- 3.1 Subject to these Articles, the Applicable Public Company Rules and the Law, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue shares, with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the Directors, on such terms and conditions as the Directors may in their absolute discretion determine, and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by the resolution of the Members prescribe, provided that, (i) no shares shall be issued at a discount, and (ii) subject to the Law and Applicable Public Company Rules, the offer and issue price to each share of the same class to be issued in a given offering of shares shall be the same. The issue of new shares shall at all times be subject to the sufficiency of the

authorized capital of the Company. So long as the shares have been listed on the TPEX or TWSE, notwithstanding anything contained in these Articles and subject always to the laws of the Cayman Islands, the details of the holders of scripless shares which are traded shall be recorded by the TDCC in accordance with the Applicable Public Company Rules and the Company shall recognize as a Member each person identified as a holder of a share in the records provided by the TDCC to the Company and such records shall form part of the Register of Members.

- 3.2 Unless otherwise resolved by the Members in general meeting by ordinary resolution, the Company shall, when increasing its issued share capital by issuing new shares in the ROC (other than those new shares issued resulting from or in connection with any merger, consolidation, spin-off, amalgamation, asset acquisition, group reorganization, share swap, share subdivision, exercise of share options, warrants or awards, conversion of convertible securities or debt instruments or pursuant to resolutions of the Board passed conditionally or unconditionally before the date on which these Articles became effective), subject to the allocation of the public offering portion, as provided in Article 3.3 below, and the newly issued shares as the Company may set aside for the employees of the Company and/or of the Company's Subsidiaries pursuant to the Employee's Pre-emptive Rights (as defined below), grant to the Members pre-emptive rights (the "Members Pre-emptive Rights") to subscribe for remaining new shares of the Company in proportion respectively to their then shareholdings and notify Members, by public announcement in such manner as may be permitted by the Applicable Public Company Rules and give notice to the Members. The Company shall state in such announcement and notices to the Members, among other things, the procedures for exercising such Members Pre-emptive Rights. In the event that shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one new share to be issued, shares held by several Members may be calculated together for joint purchase of shares to be issued or for purchase of shares to be issued in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed shares to a specific person or persons in accordance with the Applicable Public Company Rules. In addition, the Company may, if so resolved by the Board, grant to the employees of the Company and/or of the Company's Subsidiaries pre-emptive rights to subscribe for 10% to 15% of the total number of such shares to be issued for subscription (the "Employees Pre-emptive Rights").

If any person who has subscribed the new shares (by exercising the Members Pre-emptive Rights or subscribing the public offering portion or the Employees Pre-emptive Rights) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.

- 3.3 Where the Company increases its issued share capital by issuing new shares in the ROC (other than those new shares issued resulting from or in connection with any merger, consolidation, spin-off, amalgamation, asset acquisition, group reorganization, share swap, share subdivision, exercise of share options, warrants or awards, conversion of convertible securities or debt instruments) unless the ROC competent authority deems the public offering of the new shares to be unnecessary or inappropriate, the Company shall allocate 10% of the total number of new shares to be issued or any percentage that may be greater than 10% of the total number of new shares to be issued as resolved by the Members by way of ordinary resolution at a general meeting for public offering within the ROC in accordance with the Applicable Public Company Rules.
  - 3.4 The Company shall not issue any unpaid shares or partly paid-up shares.
  - 3.5 Notwithstanding Article 3.9 hereof, subject to the Applicable Public Company Rules and the Law, the Company may, by a majority vote cast at a meeting of the Board with two-third (2/3) or more of the Directors present at the Board meeting, adopt one or more incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, provided that in no event shall (i) the number of shares to be issued pursuant to each of any such programmes exceed ten percentage (10%) of then total issued and outstanding shares of the Company and (ii) the aggregate number of shares to be issued pursuant to any board approved incentive programmes exceed fifteen percentage (15%) of the then total issued and outstanding shares of the Company.
  - 3.6 Options, warrants or other similar instruments issued in accordance with Article 3.5 are not transferable save by inheritance.
  - 3.7 The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 3.5, whereby employees may subscribe, within a specific period of time, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
  - 3.8 [deleted]
  - 3.9 Subject to the provisions of the Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution; provided that Article 3.3 hereof shall not apply in respect of the issue of such shares. The terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
4. Redemption and Purchase of Shares and Treasury Shares
    - 4.1 Subject to the Law, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
    - 4.2 Subject to the provisions of the Applicable Law and these Articles, the Company is hereby authorised to, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, repurchase its own shares (including the shares listed on the TPEX or TWSE) on such terms and in such manner as the Directors may determine.

- 4.3 The manner and terms of purchase, including the redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Directors at or before the time of issue.
  - 4.4 Every share certificate representing a redeemable share shall indicate that the share is redeemable.
  - 4.5 In the event that the Company proposes to repurchase the share listed on the TPEX or TWSE pursuant to Article 4.2, the resolution of the Board approving such proposal and the implementation thereof shall be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to repurchase the shares listed on the TPEX or TWSE for any reason.
  - 4.6 The redemption price may be paid in any manner authorised by these Articles for the payment of dividends.
  - 4.7 A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks in the ROC for thirty day deposits in the same currency.
  - 4.8 The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
  - 4.9 Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
  - 4.10 Shares that the Company purchases or redeems pursuant to these Articles may be held as Treasury Shares until such Treasury Shares are either cancelled or transferred in accordance with the Law.
  - 4.11 A treasury share shall not be voted, directly or indirectly, at any general meeting of the Company and shall not be counted in determining the total number of issued shares at any given time.
  - 4.12 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Shareholders on a winding up) may be made to the Company, in respect of a Treasury Share.
  - 4.13 A proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price shall be approved by special resolution in the most recent general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an ad hoc motion. The aggregate number of Treasury Shares resolved at the general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued and outstanding shares, and each employee may not subscribe for more than 0.5% of the total issued and outstanding shares in aggregate. The Company may prohibit such employees from transferring such shares formerly held as Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
5. Rights Attaching to Shares



- 5.1 Subject to Article 3.1, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Members at general meeting may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 5.2 Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause the rights and obligations of Preferred Shares to be set forth in these Articles.
- 5.3 The rights and obligations of Preferred Shares may include (without limitation to) the following terms and shall comply with the Applicable Public Company Rules to the extent permissible under the Law:
- (a) the order of priority and the amount or rate of the Dividends and bonus on Preferred Shares;
  - (b) the preferences, if any, and the amounts thereof, which the Preferred Shares shall be entitled to receive upon the winding up of the Company;
  - (c) the voting power, if any, of the Preferred Shares and any restriction on the voting power of the Preferred Shares;
  - (d) whether or not the Preferred Shares are redeemable and, if they are redeemable, the circumstances and the manner in which the Company is authorized or compelled to redeem the Preferred Shares; and
  - (e) other terms, conditions, rights and obligations concerning the Preferred Shares.
6. Share Certificates
- 6.1 Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a share certificate issued under the seal of the Company (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on share certificates may be printed thereon or affixed by mechanical means.
- 6.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed, the Board may cause a new share certificate to be issued on payment on such fee, if any, and on such terms, if any, as to evidence and indemnity, as it sees fit.
- 6.3 Share certificates may not be issued in bearer form.

6.4 The Company shall deliver the share certificates in physical form or by way of book-entry to the subscribers within thirty days from the date such share certificates may be issued pursuant the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules. Where the shares are issued in scripless form and where applicable, the Company shall procure and instruct the relevant depository or clearing house to make the necessary book entries to reflect the entitlement of the relevant Member in accordance with the Applicable Public Company Rules.

7. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

### REGISTRATION OF SHARES

8. Register of Members

The Board shall cause to be kept in one or more books a Register of Members which, subject to Article 15.8, may be kept outside the Cayman Islands at such place as the Directors shall appoint including the Shareholders' Service Agent and shall enter therein the following particulars:

- (a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member.

9. Registered Holder As Absolute Owner

- 9.1 The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to or interest in, such share on the part of any other person.
- 9.2 No person shall be entitled to recognition by the Company as holding any share through any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a share, then, except as aforesaid:
- (a) such notice shall be deemed to be solely for the holder's convenience;
  - (b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary of the trust as having an interest in the share or shares concerned;
  - (c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and



- (d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

10. Transfer and Transmissions of Shares

10.1 The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee; provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

10.2 Shares shall be transferred in the following form, or in any usual or common form approved by the Board:

Transfer of a Share or Shares  
 Apex International Co., Ltd. (the "Company")  
 FOR VALUE RECEIVED \_\_\_\_\_ [amount], [name of Transferor]  
 hereby sell assign and transfer unto [Transferee] of [address],  
 [number] shares of the Company.  
 DATED this [ ] day of [ ], 20[ ]

<b>Signed by:</b>	<b>In the presence of:</b>
_____	_____
<b>Transferor</b>	<b>Witness</b>
_____	_____
<b>Transferee</b>	<b>Witness</b>

- 10.3 The Directors may suspend the registration of transfers for a period not less than the minimum period of time immediately preceding a general meeting, as prescribed by the Applicable Public Company Rules (the "Book Closure Period").
- 10.4 The legal personal representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In case of a share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only persons recognised by the Company as having any title to the share.
- 10.5 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made.
- 10.6 A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company.

- 10.7 Notwithstanding the above, in the event that the Company's shares are listed on the TPEX or TWSE, the transfer and transmission of shares of the Company may be effected through the book-entry system of the TDCC in accordance with the Applicable Public Company Rules.

### ALTERATION OF CAPITAL

#### 11. Power to Alter Capital

- 11.1 Subject to the Law, the Company may from time to time by special resolution alter the conditions of its Memorandum of Association to increase its share capital by such amount as it thinks expedient.
- 11.2 Subject to the Law, the Company may from time to time by special resolution alter the conditions of its Memorandum of Association to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
  - (b) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- 11.3 Subject to the Law and without prejudice to other provisions of these Articles as regards the matters to be dealt with by special resolution, the Company may from time to time by special resolution reduce its share capital. Any such reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Public Company Rules. Capital Reduction may be conducted by way of distributing specific assets other than cash. The type of assets to be distributed and the quantum of such substitutive distribution shall be approved by general meeting and the consent from the Member who will receive such assets shall be obtained. The value of assets to be distributed and the quantum of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submit the same to a general meeting for approval.
- 11.4 Subject to the Law, the Applicable Public Company Rules and Article 11.5 below, the Company may not, unless authorised or approved by a supermajority resolution:
- (a) enter into, amend, or terminate any contract for lease of the Company's business in whole, or for the delegation of management of the Company's business, or for regular joint operation with others;
  - (b) transfer its business or assets, in whole or in any essential part;
  - (c) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operations;
  - (d) resolve that any declared dividend be satisfied by the issuance of new shares credited as fully paid to the Members; or
  - (e) effect any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), share swap or spin-off of the Company.
- 11.5 Subject to the Law and the Applicable Public Company Rules, the Company shall not, without passing a resolution adopted by a majority of not less than two-thirds of the total number of votes represented by the issued shares in the Company:
- (a) enter into a Merger, in which the Company is not the surviving company and is proposed to be struck-off and thereby dissolved, which results in a delisting of the



shares of the Company on the TWSE, and the surviving or newly incorporated company is a Non TWSE-Listed or TPEX-Listed Company;

- (b) make a general transfer of all the business and assets of the Company, which results in a delisting of the shares of the Company on the TWSE, and the assigned company is a Non TWSE-Listed or TPEX-Listed Company;
- (c) be acquired by another company as its wholly-owned subsidiary by means of a share swap, which results in a delisting of the shares of the Company on the TWSE, and the acquirer is a Non TWSE-Listed or TPEX-Listed Company; or
- (d) carry out a spin-off, which results in a delisting of the shares of the Company on the TWSE, and the surviving or newly incorporated spun-off company is a Non TWSE-Listed or TPEX-Listed Company.

11.6 Subject to the provisions of the Law, the Company shall not, without special resolution by Members, issue equity-linked securities, including options, warrants and convertible bonds, in the manner of Private Placement pursuant to the Applicable Public Company Rules.

## 12. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a special resolution passed by the holders of the shares of that class. Notwithstanding the foregoing, if any modification or alteration in these Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a special resolution and shall also be adopted by a separate special resolution passed by Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

## **MEETINGS OF MEMBERS**

### 13. Annual General Meetings

- 13.1 The Company shall hold a general meeting as its annual general meeting within six months following the end of each financial year.
- 13.2 The Company shall hold an annual general meeting in each calendar year.
- 13.3 The general meetings shall be held at such time and place as the Board shall appoint provided that unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TPEX or TWSE (as applicable) thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional securities agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

### 14. Extraordinary General Meetings

- 14.1 General meetings other than annual general meetings shall be called extraordinary general meetings.
- 14.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or desirable, and they

shall on a Members requisition as defined in Article 14.3 forthwith proceed to convene an extraordinary general meeting of the Company.

- 14.3 A Members requisition is a requisition of Member(s) holding at the date of deposit of the requisition not less than 3% of the total issued shares at the time of requisition and whose shares shall have been held by such Member(s) for one consecutive year or more at the date of deposit of the requisition.
- 14.4 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office or the Shareholders' Service Agent, and may consist of several documents in like form each signed by one or more requisitionists.
- 14.5 If the Board does not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEX or TWSE (as applicable) for its prior approval.
- 14.6 Any one or more Member(s) may convene an extraordinary general meeting, provided that such Member or Members have continuously held more than 50% of the total issued and outstanding shares of the Company for a period of three months or more. The number of the shares held by a Member and the period of which a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period.
- 14.7 If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director who is a member of the Audit Committee may convene a general meeting when necessary.

## 15. Notice

- 15.1 At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 15.2 At least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 15.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.
- 15.4 A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Articles, be deemed to have been properly called if it is so agreed by all the Members entitled to attend an annual general meeting or an extraordinary general meeting (as the case may be).
- 15.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.



- 15.6 The Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed at the meetings, including but not limited to, election or discharge of Directors, before the time limit set forth in Article 15.1 and Article 15.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 15.1 and 15.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with Applicable Public Company Rules twenty-one days prior to annual general meetings or fifteen days prior to extraordinary general meetings, as the case may be.
- 15.7 Subject to Applicable Public Company Rules and the Law, ad hoc motions may be proposed by Members in general meetings; provided, however, that matters pertaining to (a) election or removal of Directors, (b) amendment of the Memorandum or Articles, (c) capital deduction, (d) application to terminate the public offering of the shares, (e) dissolution, Merger, share swap or spin-off, (f) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (g) transfer of the business or assets of the Company, in whole or in any essential part, (h) the acquisition or assumption of the transfer of the whole business or assets of a third party, which has a material effect on the operation of the Company (i) Private Placement of any equity-type securities issued by the Company, (j) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (k) payment of dividends or bonuses in whole or in part by way of issuance of new shares, and (l) distribution of Capital Reserve in the form of new shares or cash to its Members in accordance with Article 59, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The major content of the above matters may be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.
- 15.8 The Board shall keep a copy of the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Shareholders' Service Agent. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to review, transcribe or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 15.9 The Company shall make available all statements and records prepared by the Board and reports prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and the Shareholders' Service Agent in accordance with Applicable Public Company Rules at least ten days before annual general meetings. Members may

inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

15.10 If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

## 16. Giving Notice

16.1 A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Article, a notice may be sent by letter mail, courier service, facsimile, electronic mail or other mode of representing words in a legible form. The notice of the general meeting to be given to shareholders who own less than 1,000 shares may be given in the form of a public announcement stipulated in the Applicable Public Company Rules; for an annual general meeting and an extraordinary general meeting, such public announcement shall be made thirty days and fifteen days prior to the meeting, respectively.

16.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

16.3 Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by facsimile, electronic mail, or such other method as the case may be.

## 17. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each member in accordance with the provisions of these Articles.

## 18. Quorum and Proceedings at General Meetings

18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided for in these Articles, Members present in person or by proxy, representing more than one-half of the total issued shares, shall constitute a quorum for any general meeting.

18.2 The Board shall submit business reports, financial statements and proposals for distribution of profits or losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members as required by the Applicable Public Company Rules. After ratification by the general meeting, the Board shall publish the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or loss or distribute copies thereof to each Member.

- 18.3 A resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands.
- 18.4 If and to the extent permitted under the Cayman Islands law, nothing in these Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 18.5 Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an ordinary resolution.
- 18.6 Member(s) holding 1% or more of the total number of the issued shares immediately prior to the relevant Book Closure Period may propose to the Company in writing or any electronic means designated by the Company a matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten days for Members to submit proposals. The Board shall include the proposal in the agenda of the annual general meeting unless (a) the proposing Member(s) holds less than 1% of the total number of the issued shares, (b) the subject matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s); however if the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibility, the Board may, notwithstanding the above (a) to (d), accept such proposal.

## 19. Chairman to Preside

The chairman at all meetings of the Members shall be appointed in accordance with the Rules and Procedures of Shareholders' Meeting of the Company.

## 20. Voting on Resolutions

- 20.1 Subject to any rights or restrictions attached to any shares, every Member who is present in person or by proxy shall have one vote for every share of which he is the holder. Notwithstanding Article 9.1 hereof, when shares are held for the benefit of others, a Member shall be entitled to divide its shareholding into two or more parts for the purpose of exercising its voting rights to the effect that it shall be entitled to exercise its votes in respect of each part as if it were separate and distinct shareholders. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall be subject to the Applicable Public Company Rules.
- 20.2 Votes may be cast either personally or by proxy. A Member may appoint another person as his/her/its proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend to vote at a general meeting; provided that a Member may appoint only one proxy under one instrument to attend and vote at a meeting.
- 20.3 Subject to the Law and the Articles, Members may vote by way of a written ballot, electronic transmission, or any other means in any other manner prescribed in the

Rules and Procedures of Shareholders' Meeting, as amended by Directors and approved by Members by way of a special resolution; provided, however, that if a general meeting is to be held outside the ROC, the Company shall provide the Members with a method for exercising their voting power by means of a written ballot or electronic transmission. If required by the Applicable Public Company Rules, the Company shall adopt electronic transmission as one of the voting methods. The method for exercising such voting power shall be described in the notice of general meeting to be given to the Members if the voting power may be exercised by way of a written ballot or by way of electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two days prior to the date of such general meeting. Where more than one voting decision is received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his/her/its voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed present in person at such general meeting, but any Member voting in such manner shall not be entitled to notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting.

20.4 In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by means of a written ballot or by means of electronic transmission pursuant to Article 20.3 hereof later intends to attend general meetings in person, he/she/it shall, at least two days prior to the date of the meeting, serve a separate declaration of intention to revoke his/her/its previous declaration of intention in the same manner previously used in exercising his/her/its voting power. Votes by means of written ballot or electronic transmission shall be valid if the relevant Member fails to revoke the declaration of intention before the prescribed time.

## 21. Proxies

21.1 An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member.

21.2 Except for trust enterprises organized under the laws of the ROC or a securities agent approved pursuant to the Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of shares entitled to be voted as represented by such proxy shall be no more than 3% of the total voting shares immediately prior to the relevant Book Closure Period; any vote in respect of the portion in excess of such 3% threshold shall not be counted.

21.3 The instrument of proxy shall be deposited at the Registered Office or the Shareholders' Service Agent or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Where more than one instrument to vote received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written

statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

- 21.4 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorized a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate written notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 21.5 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (any Member, a trust enterprise or a securities agent mandated by Member(s), who solicits an instrument of proxy from any (other) Member to appoint him/it as a proxy to attend and vote at a general meeting, pursuant to the Applicable Public Company Rules) (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 21.6 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office or the Shareholders' Service Agent before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy. The notice must set out expressly the reason for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.

## 22. Proxy Solicitation

Subject to these Articles, so long as the shares are listed on the TPEX or TWSE, the use and solicitation of proxies at general meetings of the Company shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the Republic of China, as from time to time amended.

## 23. Dissenting Member's Appraisal Right

- 23.1 In the event any of the following resolutions is adopted at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his/her/its shares at the then prevailing fair price:
- (a) The Company enters into, amends, or terminates any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others;
  - (b) The Company transfers its business or assets, in whole or in any essential part; provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
  - (c) The Company acquires or assumes the transfer of the whole business or assets of



another person, which has a material effect on the Company's business operations;

- (d) The Company proposes to undertake a spin-off, Merger or share swap; or
- (e) The Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

23.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 23.1 (the "Dissenting Member") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection stating the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

23.3 Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's Shares, then, within thirty (30) days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Shareholders. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

23.4 Notwithstanding the above provisions under this Article 23, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a Merger or consolidation.

#### 24. Shares that May Not be Voted

24.1 The shares in the Company as set out below shall not be voted at any general meeting and shall not be counted in determining the total number of issued shares at any given time:

- (a) shares in the Company that are beneficially owned by the Company;
- (b) shares in the Company that are beneficially owned by its Subsidiary, one-half or more of whose total number of voting shares or paid-in capital are directly or indirectly owned by the Company; and
- (c) shares in the Company that are beneficially owned by an entity in which the Company, together with (i) the holding company of the Company, (ii) any subsidiary of the holding company of the Company and/or (iii) any Subsidiary of the Company, own, legally or beneficially, directly or indirectly, more than one-half of its issued and voting shares or paid-in capital.

24.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion. Such



shares may be counted for the purposes of determining the quorum but may not be included when determining the total number of shares entitled to vote at such general meeting. The aforementioned Member shall also not vote on behalf of any other Member.

- 24.3 If the number of shares over which a security interest is granted by a Director at any time amounts to more than fifty per cent of the total shares held by such Director at the time of his latest election, such pledged shares exceeding fifty per cent of the total shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting; provided however, if the Director is an authorised representative of a corporate Member elected in accordance with Article 30.5 hereof, the calculation shall be made based on the number of shares held and pledged by such corporate Member.

## 25. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

## 26. Representation of Corporate Member

- 26.1 A corporation which is a Member may, by written instrument, authorise such person as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

- 26.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

## 27. Adjournment of General Meeting

- 27.1 Unless otherwise expressly provided herein, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with these Articles.

- 27.2 The chairman of a general meeting may, with the consent of a majority in number of those present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. The Company shall re-convene such general meeting within 5 days after the adjourned general meeting or at such other date fixed by an ordinary resolution adopted by the Members within such five days. If the meeting is adjourned for more than 60 days, fresh notice of the date, time and place for the resumption of the adjourned meeting shall be given to each Member

entitled to attend and vote thereat, in accordance with the provisions of these Articles.

28. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

## DIRECTORS AND OFFICERS

29. Number and Term of Office of Directors

- 29.1 There shall be a board of Directors consisting of 11 persons, each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by special resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements by the Applicable Public Company Rules (including but not limited to any listing requirements) are met.
- 29.2 Unless otherwise approved by GTSM or TWSE (as applicable), the number of Directors having a spousal relationship or Family Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 29.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 29.2 hereof, the non-qualifying Director(s) who was elected with the fewer number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 29.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his/her/its position of Director automatically.
- 29.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall consist of at least one-fifth of the Board. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of the same shall have accounting or financial expertise.
- 29.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.
- 29.6 Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee members, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and Exchange Act applicable to the Company.

30. Election of Directors

- 30.1 The Company may by a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 30.2 below. Members present



in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.

- 30.2 The Directors shall be elected upon a poll vote by way of cumulative voting. The numbers of votes attached to each voting share held by a shareholder shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting (hereafter, "Special Votes"). Each shareholder may vote all or part of his/her Special Votes in respect of one or more Director candidates. Within the number of Directors to be elected, the Director candidates receiving the highest number of votes shall be appointed. The Directors (including Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are listed on the TPEX or the TWSE. The rules and procedures of the nomination of candidates shall comply with the procedure approved by the Board of Directors and ordinary resolution, provided that such procedure shall be in compliance with the Law, Memorandum of Association, Articles of Association, and the Applicable Public Company Rules.
- 30.3 If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
- 30.4 If the number of Directors is less than five persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the Board is equivalent to one-third of the total number prescribed by these Articles, the Board shall hold, within sixty days of such occurrence, an extraordinary general meeting of Members to elect succeeding Directors to fill in the vacancies.
- 30.5 Where a legal entity is a Member, its authorized representative(s) may also be elected as Director of the Company in accordance with these Articles. If there are multiple authorized representatives, each of them may be so elected.

### 31. Proxy

Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

### 32. Removal of Directors

- 32.1 The Company may from time to time by supermajority resolution remove any Director from office, whether or not appointing another in his stead. Prior to the expiration of the term of office of the incumbent Directors, the Members may at a general meeting elect or re-elect all Directors, which vote shall be calculated in accordance with Article 30.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting that such Director(s) shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence office. Members present in person or by proxy, representing more than one-half of

the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

32.2 In case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws, regulations and/or the Articles, but not being removed by a supermajority resolution of a general meeting, the Member(s) holding 3% or more of the total number of issued shares of the Company may, within thirty days after that general meeting, institute a lawsuit in the court for a judgment to remove such Director. The Taipei District Court, ROC, may be the court of the first instance for this matter.

### 33. Vacancy in the Office of Director

33.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) is or becomes of unsound mind or an order for his detention is made under the Mental Health Law of the Cayman Islands or any analogous law of a jurisdiction outside the Cayman Islands, or dies;
- (c) resigns his office by notice in writing to the Company;
- (d) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (iv) the time elapsed after being pardoned is less than five years;
- (e) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two years;
- (f) having been adjudicated guilty by a final judgment for committing offenses under the Anti-Corruption Act of the ROC, and (i) has not started serving the sentence, or (ii) has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two years;
- (g) dies or becomes bankrupt, or the court has declared a liquidation process in connection with the Director has not been reinstated to his rights and privileges ;
- (h) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (i) the Director has been adjudicated of the commencement of assistantship (as defined under the Civil Code of the ROC) or similar declaration and such assistantship/declaration having not been revoked yet; or
- (j) an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his/her affairs, or his/her legal capacity is restricted according to the applicable laws.

In the event that the foregoing events described in clauses (d), (e), (f), (g), (h), (i) or (j) has occurred in relation to a Director elect, such Director elect shall be disqualified from being elected as a Director.

33.2 In case a Director (other than an Independent Director) has, during the term of office as a Director (other than an Independent Director), transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

33.3 If any Director (other than an Independent Director) has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director (other than an Independent Director) has transferred more than one half of the Company's shares then being held by him within the Book Closure Period prior to a shareholders' meeting, then he shall immediately cease be a Director and no shareholders' approval shall be required.

#### 34. Remuneration of Directors

The remuneration of the Directors is authorized to be decided by the Board by reference to the standard generally adopted by other enterprises in the same industry, and shall be paid regardless whether the Company has profits or suffers losses. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company pursuant to the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

#### 35. Defect in Election of Director

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director.

#### 36. Directors to Manage Business

The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any clause of these Articles, to the provisions of the Law, and to such regulations, being not inconsistent with the aforesaid clauses or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

#### 37. Powers of the Board of Directors

Without limiting the generality of Article 36, the Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as

- security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
  - (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
  - (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company;
  - (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
  - (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board;
  - (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
  - (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
  - (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
  - (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

### 38. Register of Directors and Officers

38.1 The Board shall cause to be kept in one or more books of the Register of Directors and Officers at the Registered Office in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

38.2 The Board shall, within the period of thirty days from the occurrence of:

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers;

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of



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Companies of any such change that takes place.

39. Officers

39.1 The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

39.2 The Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the ROC under the ROC Securities and Exchange Act. The Company's litigious and non-litigious agent shall be a natural person and have a residence or domicile in the ROC.

40. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

41. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

42. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

43. Conflicts of Interest

43.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director.

43.2 A Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 23.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. Where the spouse, the person having the Family Relationship within Second Degree of Kinship with a Director, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

43.3 Notwithstanding anything to the contrary contained in this Article 43, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

44. Indemnification and Exculpation of Directors and Officers



- 44.1 The Directors and Officers and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer, auditor or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty or wilful default or wilful neglect or violation of duties under Article 44.4 which may attach to any of the said persons.
- 44.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 44.3 In addition to and without prejudice to members' right to commence derivative actions as permitted under the law of the Cayman Islands, members continuously holding 1% or more of the total issued shares of the Company for six months or longer may:
- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
  - (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors;
- within thirty (30) days after the Member(s) having made the request under the preceding clause (a) or (b), if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition, to the extent permitted under the laws of the Cayman Islands, such Member(s) may file a petition with the Taiwan Taipei District Court, ROC for and on behalf of the Company against any of the Directors.
- 44.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall,





if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

## **MEETINGS OF THE BOARD OF DIRECTORS**

### **45. Board Meetings**

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. During a meeting, if upon inquisition by the chairman, none of the Directors raises objection to the proposal being reviewed, the chairman may declare the resolution adopted. If, however, a director objects to the proposal, the resolution shall be put to vote and carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

### **46. Notice of Board Meetings**

The Chairman shall summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is sent to such Director by post, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose. Notice of a meeting of Board shall state the time and place of the meeting and meeting agenda and be given to all Directors at least 7 days prior to the meeting, provided that upon the occurrence of emergencies, the Chairman may summon a meeting of the Board at any time.

### **47. Participation in Meetings by Web Cam or Video Conference**

Directors may participate in any meeting of the Board by means of web cam or video conference as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in a meeting by such means shall constitute presence in person at such a meeting.

### **48. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be more than one-half of the Board, provided that if there is only one Director for the time being in office the quorum shall be one.

### **49. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number.

### **50. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected by the Directors present at the meeting.

51. Tender Offer

Any public announcement in connection with any tender offer of the Company's shares shall be in compliance with the Applicable Public Company Rules, including but not limited to the Regulations Governing Public Tender Offers for Securities of Public Companies.

**AUDIT COMMITTEE**

51A. Audit Committee

51A.1 The Company shall establish an Audit Committee. The Audit Committee shall comprise of all Independent Directors and the number of committee members shall not be less than three. One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.

Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board of Directors for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-type securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

51A.2 Subject to compliance with the Law, before the meeting of Directors resolves any matter specified in Article 23.1 or other mergers and acquisitions in accordance with the Applicable Law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share



exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the ROC securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

## **COMPENSATION COMMITTEE**

### 51B. Compensation Committee

The Company shall establish a Compensation Committee. The qualifications, appointment, composition, voting methods and powers of the Compensation Committee and the terms of its members shall conform with the Applicable Public Company Rules and specified in the Company's internal rules.

The Compensation Committee shall:

- (a) draft and regularly review the policy, system, standards and structure of the performance evaluation and remuneration, including compensation, stock option programs and other incentive payments of Directors and Officers; and
- (b) regularly review and decide the remuneration of Directors and Officers.

Any of the above-mentioned matters of the Company shall require the consent of one-half or more of all Compensation Committee members and be submitted to the Board of Directors for resolution. If any of the Compensation Committee's recommendations is not approved or is revised by the Directors, such a resolution shall be passed with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the Directors and the Directors shall take into account all relevant factors and indicate in the resolution whether the compensation packages that they adopted are more favourable than the recommendations made by the Compensation Committee.

## **CORPORATE RECORDS**

### 52. Records

#### 52.1 Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

#### 52.2 Register of Mortgages and Charges

- (a) The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law; and
- (b) The Register of Mortgages and Charges shall be open to inspection in accordance with the Law, at the Registered Office on every business day,

subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

52.3 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with these Articles and relevant rules and regulations shall be kept for at least twelve months. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than twelve months.

53. Form and Use of Seal

53.1 The Company shall adopt a Seal in such form as the Board may determine.

53.2 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director, Secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

53.3 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or any other person or institution having authority to file the document as aforesaid.

53.4 The Company may have one or more duplicate Seals for use in or outside the Cayman Islands, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

54. Books of Account

54.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

54.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

55. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than twelve months.

**DIVIDENDS AND CAPITALISATION**

56. Dividends

56.1

(1) If there are profits in a given year, the Company shall first make up the losses for the previous years, and then set aside a special surplus reserve as required by the competent securities authority under the Applicable Public Company Rules. If the balance is positive and the Board decides to distribute profits, the Board shall make a proposal for profit distribution for approval by the Members by the sanction of an ordinary resolution or in the case of Article 11.4(d), a supermajority resolution, in annual general meetings. The profit distribution shall follow the ratios below:

- (1) no more than 2% as employees' bonus;
- (2) no more than 2% as directors' bonus; and
- (3) no less than 10% as dividend to be paid to the Members in proportion to the number of shares held by them. In addition, the Board may make proposals for the distribution of the accumulated undistributed earnings from the previous years after taking into account the actual operations, future capital expenditures or other material matters related to the operations.

When employees' bonus is distributed by way of stock dividend, the recipients may include qualified employees of the Company's Subsidiaries. No unpaid dividend and bonus shall bear interest as against the Company.

(2) The Company operates in a mature industry, and is in the growth stage. In determining Members' dividend, the Company shall consider its future capital expenditure budgeting and evaluate its capital requirement in the next year, in order to determine the amount of profits for retention and distribution. The amount of profits for retention and distribution, and the types of dividend and their ratio shall be proposed by the Board, after consideration of the Company's profitability and capital level, and approved by the Members in the annual general meetings; provided that, the cash portion shall be no less than 30% of total Members' dividend.

- 56.2 Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.
- 56.3 Subject to these Articles, with the sanction of an ordinary resolution of the Members, the Board may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generally, the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
- 56.4 Subject to these Articles, with the sanction of an ordinary resolution of the Members, the Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.
- 56.5 The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.
- 56.6 For the purpose of determining Members entitled to receive payment of any dividend, the Directors may provide that the Register of Members shall be closed for transfers for a period of five days before the relevant record date or such other period as may be required by the Applicable Public Company Rules or the Law.

## 57. Method of Payment

57.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members.

57.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares, any one can give an effectual receipt for any dividend paid or other monies payable on or in respect of such shares.

58. Power to Set Aside Profits

58.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose. Pending distribution of profit, such sums may be employed in the business of, or investment by, the Company, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

58.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to Company's share premium account.

59. Capitalisation

Provided that the Company has no accumulated losses, the Company may, with a proposal recommended by the Board and approved by the Members by the sanction of a supermajority resolution in annual general meetings, distribute new shares or cash arising out of the Capital Reserve to the Members.

## **VOLUNTARY WINDING-UP AND DISSOLUTION**

60. Winding-Up

60.1 Subject to the Law, the Company may be voluntarily wound-up by a special resolution of the Members.

60.2 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as it deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. Upon completion of the winding-up, the Company shall be dissolved. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## **CHANGES TO CONSTITUTION**

61. Changes to Articles

Subject to the Law and to the conditions contained in its memorandum, the Company



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may, by special resolution, alter or add to its Articles.

62. Changes to the Memorandum of Association

Subject to the Law, the Company may from time to time by special resolution alter its Memorandum of Association with respect to any objects, powers or other matters specified therein.

63. Change of Name

Subject to the Law, the Company may from time to time by special resolution change the name of the Company.

64. Internal Rules

The Board and/or general meeting may adopt internal rules of the Company from time to time. In case of inconsistency between these Articles and the internal rules of the Company, these Articles shall prevail.

65. Social Responsibilities

When the Company conducts the business, the Company shall comply with the laws and regulations as well as business ethics and shall take actions which will promote public interests in order to fulfill its social responsibilities.

## Appendix 3

**Apex International Co., Ltd.**  
**Shareholdings of All Directors**

Record Date: April 02, 2021 (Book closure date)

Unit : Share

Title	Name	Date elected	Shareholding when elected		Current shareholdings	
			Shares	Ratio	Shares	Ratio
Chairman	Shu-Mu Wang	2019.06.05	1,164,371	0.63%	1,164,371	0.61%
Director	Jui-Hsiang Chou	2019.06.05	833,427	0.45%	833,427	0.44%
Director	Yung-Yuan Cheng	2019.06.05	645,166	0.35%	645,166	0.34%
Director	Shun-Chung Lee	2019.06.05	0	0.00%	0	0.00%
Director	Sen-Tien Wu	2019.06.05	0	0.00%	0	0.00%
Director	Somkiat Krajangjaeng	2019.06.05	0	0.00%	0	0.00%
Director	Tu-Chuan Chen	2019.06.05	300,000	0.16%	300,000	0.16%
Director	Chao-Ting Lin	2019.06.05	0	0.00%	0	0.00%
Independent Director	Chau-Chin Su	2019.06.05	0	0.00%	0	0.00%
Independent Director	Yung-Tsai Chen	2019.06.05	40,744	0.02%	40,744	0.02%
Independent Director	Jesadavat Priebjrivat	2019.06.05	0	0.00%	0	0.00%
Total			2,983,708		2,983,708	

Total issued share on June 05, 2019 : 184,752,016 shares

Total issued share on April 02, 2021 : 189,937,988 shares

Note1 : Independent Directors' holdings are excluded from total shareholding calculations of Directors.

Note2 : The Company do not apply Article 26 of the Securities and Exchange Act.





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Appendix 4

**Apex International Co., Ltd.**  
**Effect to Operating Performance and Earnings Per Share Resulting from Stock  
Dividend Distribution**

No Stock dividend distribution is proposed at this shareholders' meeting. Hence, this item is not applicable for the Company.

Appendix 5

**Apex International Co., Ltd.**  
**Relevant Information on Proposals Made by Shareholders**

Relevant Information on Proposals Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company:

- (1) In accordance with the "Memorandum of Association and Articles of Association" of the Company and the resolution of the Board of Directors, the proposal accepting period of 2021 Annual General Meeting is from March 08, 2021 to March 18, 2021.
- (2) In the abovementioned period, no proposal from shareholders holding 1% or more of the total number of issued shares of the Company is proposed.