



Apex International Co., Ltd.

(Incorporated in Cayman Islands with limited liability)

2022 Annual General Meeting Minutes

(Translation)

Date: Tuesday, May 24, 2022 at 09:00 AM

Place: Primasia Conference & Business Center
(2F, No.99, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan R.O.C.)

Total outstanding shares: 189,937,988

Total shares represented by shareholders present in person or by proxy: 153,009,258

Percentage of shares held by shareholders present in person or by proxy: 80.55%

Total shares having no voting right: 0

Directors present:

Mr. Shu-Mu Wang, Chairman of the Company

Mr. Jui-Hsiang Chou, Director

Mr. Yung-Yuan Cheng, Director

Mr. Sen-Tien Wu, Director

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

Mr. Yung-Tsai Chen, Independent Director

6 members of the Board of Directors are present, which is over half of the 11 seats on the board.

Chairman: Mr. Shu-Mu Wang, Chairman of the Company

Minutes Taker: Ms. Yu-Ying Tsao

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

2. Chairman's Remarks (omitted)

3. Report Items

(1) 2021 Operation Report (please refer to Attachment 1).

(2) 2021 Final Accounting Books and Financial Statements Reviewed by Audit Committee (please refer to Attachment 2).

4. Approval Items

(1) 2021 Final Accounting Books and Financial Statements (Proposed by the Board of Directors)

Explanation: a. 2021 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 2021 annual operation report, CPA's audit report and financial statements, please refer to Attachment 1 and 3.

c. Please approve.

Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	132,603,309 votes	86.66 %
Disapproval votes:	5,318 votes	0.00 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,400,631 votes	13.33 %

RESOLVED, the proposal was approved after voting.

(2) 2021 Annual Distribution of Earning of the Company (Proposed by the Board of Directors)

Explanation: a. 2021 audited annual net profit was NT\$ 1,377,895,934, after adding other comprehensive income NT\$ 6,484,704 caused by revaluation of defined benefit plan, adding retained earnings at end of 2020 NT\$ 2,455,914,496 and deducting special reserve NT\$ 748,713,839, total distributable retained earnings is NT\$ 3,091,581,295. The Company proposes to distribute NT\$ 759,751,952 as 2021 shareholders' dividend. Total retained earnings after distribution will be NT\$ 2,331,829,343. For profit distribution table, please refer to Attachment 4.

b. The Company proposes to distribute approximately NT\$ 4 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 the Company's other income. The proposed distribution of cash dividends is based on total outstanding shares of 189,937,988 shares, if the approved cash distribution ratio is required to be adjusted due to amendment of laws or regulations, request of competent authority, or any change of the numbers of the issued and outstanding shares, it is proposed that the Annual General Meeting authorize the Board of Directors with full power to adjust the distribution ratio.

c. Please approve.

Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	132,780,323 votes	86.77 %
Disapproval votes:	6,484 votes	0.00 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,222,451 votes	13.21 %

RESOLVED, the proposal was approved after voting.

5. Election Item

(1) Election of the Company's Directors (Proposed by the Board of Directors)

Explanation: a. The tenure of all current directors (including independent directors) of the Company will be expired on June 04, 2022. According to the Board's resolution, eleven directors (including four independent directors) will be elected at this Annual General Meeting. The term of

office of the new directors will be three years, starting from May 24, 2022 and will be expired on May 23, 2025. The directors will assume office immediately after 2022 Annual General Meeting.

- b. The Company adopted the candidate nomination system for electing the directors (including independent directors). The List of Candidates for Directors and Independent Directors, please refer to Attachment 5.
- c. Please vote.

Election Results: The list of the newly elected directors (including independent directors) with votes received is as follows:

Title	Name	Votes Received
Director	Shu-Mu Wang	155,577,140
Director	Jui-Hsiang Chou	145,677,709
Director	Yung-Yuan Cheng	132,226,305
Director	Shun-Chung Lee	121,830,047
Director	Sen-Tien Wu	115,440,288
Director	Somkiat Krajangjaeng	112,836,816
Director	Tu-Chuan Chen	111,351,345
Independent Director	Chau-Chin Su	110,387,123
Independent Director	Yung-Tsai Chen	106,376,277
Independent Director	Jesadavat Priebjivat	102,778,990
Independent Director	Ray-Hua Horng	102,692,428

6. Discussion Items

- (1) Release Non-Competition Restrictions on Newly-Elected Directors (Proposed by the Board of Directors)

Explanation: a. According to Article 29.6 of Company's Memorandum and Association and Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.

- b. With the premise that Directors do not have conflicts to the interests of the Company, it is proposed to release the non-competition restrictions on newly-elected directors, who participate in the operations of other company that engages in the same or similar business scope as the Company. Please refer to Attachment 6 for the Concurrent Positions of Director and Independent Director Candidates.

- c. Please discuss.

Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	132,298,262 votes	86.46 %
Disapproval votes:	29,361 votes	0.01 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,681,635 votes	13.51 %

RESOLVED, the proposal was approved after voting.

- (2) Amendment to the "Memorandum of Association and Articles of Association" of the Company (Proposed by the Board of Directors)

Explanation: a. Pursuant to the amendment of the Cayman Islands Companies Act and the revised "Checklist of Shareholders' Equity Protection Measures at Foreign Issuer's Domicile" by Taiwan Stock Exchange, dated March, 2022, and take practical operational needs into consideration, it is proposed to amend the "Memorandum of Association and Articles of Association" of the Company. Please refer to Attachment 7 for the comparison table of the amendments.

b. Please discuss.

Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	125,588,094 votes	82.07 %
Disapproval votes:	6,770,767 votes	4.42 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,650,397 votes	13.49 %

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

ADOPTION OF AMENED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

IT WAS RESOLVED THAT a new set of Memorandum and Articles of Association in the format attached hereto forming part of this resolution be and is hereby, in all respects ratified, adopted and approved to replace and supersede the original Memorandum and Articles of Association in their entirety, and that a copy of same be filed with the Registrar of Companies as prescribed by law.

- (3) Amendment to the "Procedures for Endorsement and Guarantee" of the Company. (Proposed by the Board of Directors)

Explanation: a. To co-operate with the practical operation of the Company, it is proposed to amend the "Procedures for Endorsement and Guarantee" of the Company. Please refer to Attachment 8 for the comparison table of the amendments.

b. Please discuss.

Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	132,349,681 votes	86.49 %
Disapproval votes:	8,176 votes	0.00 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,651,401 votes	13.49 %

RESOLVED, the proposal was approved after voting.

(4) Amendment to the "Procedures for the Acquisition or Disposal of Assets" of the Company (Proposed by the Board of Directors)

Explanation: a. Pursuant to the amends of the Financial Supervisory Commission publishes dated January 28, 2022 Ref. No. 1110380465, it is proposed to amend the "Procedures for the Acquisition or Disposal of Assets" of the Company. Please refer to Attachment 9 for the comparison table of amendments.

b. Please discuss.

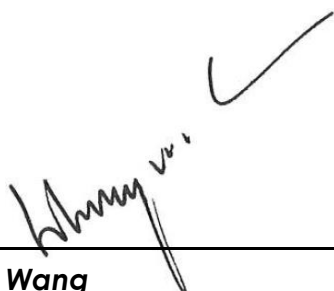
Voting Results: Shares represented at the time of voting: 153,009,258

Voting Results (including votes casted electronically)		% of the total represented share present
Approval votes:	132,353,520 votes	86.50 %
Disapproval votes:	8,175 votes	0.00 %
Invalid votes:	0 vote	0.00 %
Abstention votes / No votes:	20,647,563 votes	13.49 %

RESOLVED, the proposal was approved after voting.

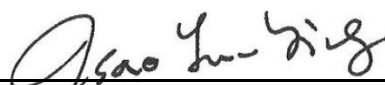
7. Extemporary Motion: None

8. Meeting Adjourned: May 24, 2022, 09:28 AM



Shu-Mu Wang

Chairman of the Meeting



Yu-Ying Tsao

Minutes Taker

Attachments

Attachment 1

Apex International Co., Ltd. 2021 Annual Operating Report

Dear Shareholders,

Here the Senior Management Team presents the operating result of 2021 by this report. The impact of Covid-19 in 2021 remains, therefore Apex has done lots of efforts on protecting health and safety of employees and smooth output that made us pass through the toughest time and successfully got into mass production stage of new factory Apex 3. Under such difficult Covid-19 situation, it was not easy to smoothly start new capacity of Apex 3 which significantly contribute revenues and profits to Apex. In 2021, our vendors were obstructed to travel to our factory installing equipment, raw material price rose dramatically quick, shipment fee increased many times than the past etc., we still generated great result through remarkable team work together.

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 our stakeholders.

1. 2021 Business Report

(1) Results of Business Plans Implemented

Amount unit: NT \$Million	2021		2020		Change %
	Amount	% to sales	Amount	% to sales	
Operating revenue	14,801	100%	11,833	100%	25%
Operating costs	11,682	79%	9,325	79%	25%
Gross profit	3,119	21%	2,508	21%	24%
Operating income	1,477	9%	1,194	10%	24%
Interest expense	45	0%	39	0%	15%
Profit before tax	1,436	9%	1,239	10%	16%
Profit after tax	1,384	9%	1,204	10%	15%

Growth of revenue in 2021 was mainly from increased demand of existed customer stimulated by booming consumption, moreover our new capacity of Apex 3 smoothly and successfully contributed either. In the same time, material price rose a lot by comparing with previous year, therefore we focused on efforts of reducing manufacturing cost in order to offset erosion of profits from materials. In addition, new capacity also helped scale benefit of Apex that also contributed to gross margin. Interest expense increased because of capital expenditure of new factory. In general, under difficult period of Covid-19, Apex paid efforts on keeping production smooth and successful that made our profit significantly grew in 2021.

(2) Budget Implementation

Actual sales amount in 2021 was NT\$ 14.8 billion which is 102% of budgeted number 14.48 billion. However net profit was 86% of budget because of increasing market price of raw materials.

(3) Financial Structure

Financial Ratio	2021	2020
Debt ratio (%)	62.46%	49.82%
Ratio of long-term capital to fixed assets (%)	107.40%	133.36%
Current ratio (%)	101.92%	132.05%
Receivables turnover ratio (time)	3.66	3.59
Inventory turnover ratio (time)	3.73	4.35
Return on assets ratio (%)	8.83%	9.12%
Return on equity ratio (%)	18.34%	15.94%
Earnings per share (NT dollar)	7.25	6.31

Expansion in 2021 made capital expenditure increase hence financial structure and liquidity related ratios went negative trend by comparing with previous year. Account receivable turnover rate went up because higher ending balance caused by new revenue of new factory occurred in late third quarter that made calculation result higher. Inventory turnover rate didn't significantly change. Profitability performed better because of the reasons mentioned in the previous paragraph. Profit still grows under factors of revenue growth, the rising cost of materials, and improvement of manufacturing expense. Meanwhile, expansion made asset increase which let return of asset ratio decrease. However return of equity and EPS grew up because of growth of profits.

(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 2021 are as follows:

- Fully automatic Plating production mode which was successfully imported into Apex 3
- Micro PAD 160-200um product (support mini LED backlight PCB)
- Near zero waste chemistry water of micro etching process

In 2022, Apex will carry out the following plans:

- Develop micro PAD (180x200um) function testing method include testing
- Develop thicker copper (3-5 oz) and higher aspect ratio (7-14) plating process
- Develop micro hole (diameter: 0.075-0.15mm and aspect ratio 3-6) drilling process

2. 2022 Business Outlines

(1) Business Policies

- Concentration on the traditional rigid PCB from single-side to 12 layers.
- Increase major customer's allocation to Apex to increase market share.
- Continue to develop new customer and its product.
- Reduce quality defective parts (DPPM) and ensure total customer satisfaction.
- 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 will reach 840 thousand square meters in Y2022.

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 working day
- F. Continue investigate and analysis defect mode then provide corrective action in order 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

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

(1) External Competitive Environment

Competition in the electronic industry has remained fierce and challenges from Chinese suppliers are especially tough. However, because of Apex's 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 2022, 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

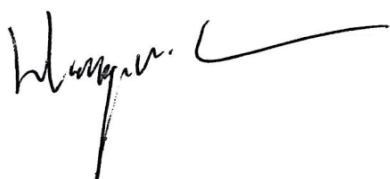
Apex, as a factory located in Thailand, keeps looking for stable sources of orders. In recent years, Apex was always being threatened by PCB competitors from China with their growing capacity and declining price. However Apex keeps pursuing higher internal operating performance in order to meet customers' requirements and provide qualified services. Therefore Apex still is able to make revenues and profits grow up.

By observing 2021, Apex successfully made profit founded by her solid and long-term management culture. In 2022, 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 Officer

Jiun-Ting Lin



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

The Board of Directors has prepared the Company's 2021 Business Report, Consolidated Financial Statements, 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. The Business Report, Consolidated 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 black ink, appearing to read 'Chau-Chin Su', written in a cursive style.

Date: March 31, 2022

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



安侯建業聯合會計師事務所

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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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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 the evaluation report from the external expert and assessing the objectivity and the professional competence of the external expert.
- Assessing the reasonableness of the cash flows forecast and engaging the internal expert to assess the methods, discount rate and other assumptions applied in the evaluation report.
- 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 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, 2021 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)

February 28, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
11xx Current assets:					21xx Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 660,374	3	821,682	5	2100 Short-term loans (notes 6(g), (j), 7, 8 and 9)	\$ 2,501,866	13	1,369,949	9
1110 Financial assets measured at fair value through profit or loss—current (notes 6(a) and (b))	9,285	-	10,592	-	2120 Financial liabilities measured at fair value through profit or loss—current (notes 6(a) and (b))	4,322	-	8,279	-
1150 Notes receivable, net (notes 6(c) and (r))	-	-	661	-	2170 Accounts payable	3,537,424	18	2,434,679	16
1170 Accounts receivable, net (notes 6(c) and (r))	4,330,830	22	3,683,750	24	2200 Other payables	569,841	3	504,209	4
1200 Other receivables (note 6(d))	201,583	1	71,042	-	2213 Payable for machinery and equipment	1,062,967	5	499,952	3
130x Inventories (note 6(e))	3,737,962	19	2,227,880	15	2230 Current tax liabilities	22,826	-	20,678	-
1470 Other current assets	125,942	1	110,197	1	2280 Current lease liabilities (notes 6(h) and (m))	40,965	-	71,422	-
Total current assets	9,065,976	46	6,925,804	45	2322 Current portion of long-term loans (notes 6(a), (g), (k), 7 and 8)	1,082,462	6	297,010	2
15xx Non-current assets:					2399 Other current liabilities	71,931	-	38,479	-
1600 Property, plant and equipment (notes 6(f), (g), (h), (i), (j), (k), (s), 8 and 9)	10,149,438	51	7,516,542	49	Total current liabilities	8,894,604	45	5,244,657	34
1755 Right-of-use asset (notes 6(f), (g), (h) and (m))	123,219	1	297,935	2	25xx Non-Current liabilities:				
1780 Intangible assets (notes 6(f), (g) and (i))	168,418	1	188,097	2	2540 Long-term loans (notes 6(a), (g), (k), 7 and 8)	3,036,339	15	2,030,917	13
1840 Deferred tax assets (note 6(o))	32,157	-	25,160	-	2570 Deferred tax liabilities (note 6(o))	55,976	-	55,751	-
1915 Prepayment for equipment (note 6(g))	240,198	1	302,559	2	2580 Non-current lease liabilities (notes 6(h) and (m))	84,479	1	73,633	1
1920 Refundable deposits	7,811	-	7,954	-	2612 Long-term payable	232,619	1	135,118	1
1980 Other financial assets—non-current (notes 6(a), (b), (k) and 8)	8,206	-	4,311	-	2670 Other non-current liabilities (note 6(n))	61,725	-	67,315	1
Total non-current assets	10,729,447	54	8,342,558	55	Total non-current liabilities	3,471,138	17	2,362,734	16
					Total liabilities	12,365,742	62	7,607,391	50
					2xxx Equity attributable to owners of parent (notes 6(l) and (p)):				
					31xx Common stock	1,899,380	10	1,899,380	12
					3110 Capital surplus	2,405,512	12	2,405,512	16
					3200 Retained earnings	4,140,552	21	3,325,984	22
					3300 Exchange differences on translation of foreign financial statements	(1,048,969)	(5)	(6,244)	-
					Total equity attributable to owners of parent	7,396,475	38	7,624,632	50
					36xx Non-controlling interests	33,206	-	36,339	-
					3xxx Total equity	7,429,681	38	7,660,971	50
1xxx Total assets	\$19,795,423	100	15,268,362	100	2-3xxx Total liabilities and equity	\$19,795,423	100	15,268,362	100

(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, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenue (note 6(r))	\$ 14,800,683	100	11,832,513	100
5000 Operating costs (notes 6(e), (g), (h), (i), (m) and (n))	11,681,718	79	9,325,012	79
5900 Gross profit from operations	3,118,965	21	2,507,501	21
6000 Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (p) and 7):				
6188 Selling expenses	797,226	6	715,014	6
6200 Administrative expenses	755,522	6	576,381	5
6300 Research and development expenses	45,440	-	35,150	-
6450 Expected credit loss (reversal of expected credit loss)	43,369	-	(13,155)	-
Total operating expenses	1,641,557	12	1,313,390	11
6900 Operating income	1,477,408	9	1,194,111	10
7000 Non-operating income and expenses (notes 6(b), (g), (h), (l), (m) and (s)):				
7100 Interest income	525	-	1,473	-
7010 Other income	35,237	-	36,028	-
7020 Other gains and losses	(31,895)	-	45,747	-
7050 Finance costs	(45,247)	-	(38,682)	-
Total non-operating income and expenses	(41,380)	-	44,566	-
7900 Profit from continuing operations before tax	1,436,028	9	1,238,677	10
7951 Less: Income tax expenses (note 6(o))	52,146	-	34,922	-
8200 Profit	1,383,882	9	1,203,755	10
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss (notes 6(n) and (o))				
8311 Gains (losses) on remeasurements of defined benefit plans	6,774	-	7	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	262	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	6,512	-	7	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(1,047,108)	(7)	(436,353)	(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	(1,047,108)	(7)	(436,353)	(4)
8300 Other comprehensive income (loss)	(1,040,596)	(7)	(436,346)	(4)
8500 Total comprehensive income (loss)	\$ 343,286	2	767,409	6
Profit, attributable to:				
8610 Owners of parent	\$ 1,377,897	9	1,198,609	10
8620 Non-controlling interests	5,985	-	5,146	-
	\$ 1,383,882	9	1,203,755	10
Comprehensive income (loss) attributable to:				
8710 Owners of parent	\$ 341,657	2	764,096	6
8720 Non-controlling interests	1,629	-	3,313	-
	\$ 343,286	2	767,409	6
Basic earnings per share (expressed in New Taiwan dollars) (note 6(q))				
9750 Basic earnings per share	\$ 7.25		6.31	
9850 Diluted earnings per share	\$ 7.25		6.31	

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Retained earnings					Exchange differences on translation of foreign operation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Special reserve	Unappropriated retained earnings	Total				
Balance at January 1, 2020	\$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 (loss)	-	-	-	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
Balance at December 31, 2020	1,899,380	2,405,512	300,256	3,025,728	3,325,984	(6,244)	7,624,632	36,339	7,660,971
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(569,814)	(569,814)	-	(569,814)	-	(569,814)
Profit	-	-	-	1,377,897	1,377,897	-	1,377,897	5,985	1,383,882
Other comprehensive income	-	-	-	6,485	6,485	(1,042,725)	(1,036,240)	(4,356)	(1,040,596)
Total comprehensive income (loss)	-	-	-	1,384,382	1,384,382	(1,042,725)	341,657	1,629	343,286
Cash dividends distributed to non-controlling interests by the subsidiaries	-	-	-	-	-	-	-	(4,762)	(4,762)
Balance at December 31, 2021	\$1,899,380	2,405,512	300,256	3,840,296	4,140,552	(1,048,969)	7,396,475	33,206	7,429,681

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,436,028	1,238,677
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	807,240	746,514
Amortization expense	16,892	15,004
Expected credit loss (reversal of expected credit loss)	43,369	(13,155)
Interest expense	45,247	38,682
Interest income	(525)	(1,473)
Loss on disposal of property, plant and equipment	1,301	16,356
Impairment loss on non-financial assets	16,997	17,435
Lease modification gain	(27)	(1,440)
Total adjustments to reconcile profit	<u>930,494</u>	<u>817,923</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets measured at fair value through profit or loss	1,307	(7,122)
Notes receivable	661	(258)
Accounts receivable	(690,449)	(692,678)
Other receivables	(130,541)	(34,819)
Inventories	(1,510,082)	(364,228)
Other current assets	(15,745)	(51,786)
Total changes in operating assets	<u>(2,344,849)</u>	<u>(1,150,891)</u>
Changes in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	(3,957)	4,989
Notes payable	-	(7)
Accounts payable	1,102,745	986,957
Other payables	62,502	111,220
Other current liabilities	33,452	17,369
Other non-current liabilities	1,184	1,369
Total changes in operating liabilities	<u>1,195,926</u>	<u>1,121,897</u>
Total changes in operating assets and liabilities	<u>(1,148,923)</u>	<u>(28,994)</u>
Total adjustments	<u>(218,429)</u>	<u>788,929</u>
Cash inflow generated from operations	1,217,599	2,027,606
Interest received	525	1,473
Interest paid	(42,117)	(42,689)
Income taxes paid	(50,209)	(20,839)
Net cash flows from operating activities	<u>1,125,798</u>	<u>1,965,551</u>
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries (deduct cash acquired)	-	(163,942)
Acquisition of property, plant and equipment	(3,472,007)	(1,540,644)
Proceeds from disposal of property, plant and equipment	15,684	3,534
Decrease in refundable deposits	143	216
Acquisition of intangible assets	(19,510)	(5,431)
Decrease (increase) in other non-current financial assets	(3,895)	1,891
Increase in prepayments for equipment	(252,990)	(523,753)
Net cash flows used in investing activities	<u>(3,732,575)</u>	<u>(2,228,129)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,376,973	394,084
Proceeds from long-term loans	4,394,530	2,169,945
Repayments of long-term loans	(2,304,625)	(910,291)
Payment of lease liabilities	(76,960)	(138,916)
Cash dividends paid	(569,814)	(569,799)
Change in non-controlling interests	(4,762)	-
Net cash flows from financing activities	<u>2,815,342</u>	<u>945,023</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(369,873)</u>	<u>(160,664)</u>
Net increase (decrease) in cash and cash equivalents	<u>(161,308)</u>	<u>521,781</u>
Cash and cash equivalents at beginning of period	<u>821,682</u>	<u>299,901</u>
Cash and cash equivalents at end of period	<u>\$ 660,374</u>	<u>821,682</u>

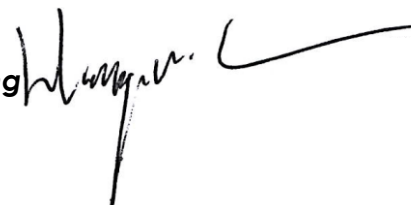
Apex International Co., Ltd.
2021 Profit Distribution Table

Unit: NTD

Items	Total	Notes
Beginning Retained Earnings	2,455,914,496	
Add: Net Profit After Tax	1,377,895,934	
Add: Other Comprehensive Income	6,484,704	Caused by actuarial gains from revaluation of defined benefit plan (APT's employee benefit)
Deduct : Special Reserve	748,713,839	At December 31, 2021 ending balances of "exchange differences on translation of financial statements" was -1,048,970,044 and special reserve for this item was 300,256,205. Therefore we need to reserve the shortaged number: 1,048,970,044 - 300,256,205 = 748,713,839
Distributable Net Profit	3,091,581,295	
Distribution Items:		
Cash Dividend (NTD 4.00 per share)	759,751,952	1. Number of total shares is 189,937,988 shares on March 23, 2022
Stock Dividend (NTD 0.00 per share)	0	2. Plan to issue about NTD 4.00 as dividend per share
Unappropriated Retained Earnings	2,331,829,343	
Employees' Compensation	0	
Directors' Compensation	1,080,000	Compensation of each independent director is NTD 360,000, total head count is 3

Chairman

Shu-Mu Wang



Chief Executive Officer

Jui-Hsiang Chou



Accounting Officer

Jiun-Ting Lin



Apex International Co., Ltd.
List of Candidates for Directors and Independent Directors

Category	Name	Gender Age	Shareholdings (shares)	Experience and Education	Current position
Director	Shu-Mu Wang	Male 62	1,164,371	Dept. of Business Mathematics, Soochow University Chairman, Apex International Co., Ltd. Chairman and Chief Strategy Officer, Apex Circuit (Thailand) Co., Ltd. Chairman, Approach Excellence Trading Ltd.	Chairman, Apex International Co., Ltd. Chairman and Chief Strategy Officer, Apex Circuit (Thailand) Co., Ltd. Chairman, Approach Excellence Trading Ltd.
Director	Jui-Hsiang Chou	Male 62	833,427	Dept. of International Business and Trade, Aletheia University Director and General manager, Apex International Co., Ltd. Director and Chief Executive Officer, Apex Circuit (Thailand) Co., Ltd.	Director and General manager, Apex International Co., Ltd. Director and Chief Executive Officer, Apex Circuit (Thailand) Co., Ltd.
Director	Yung-Yuan Cheng	Male 63	645,166	Dept. of Applied Sciences Electronic Engineering, National Kaohsiung University Director, Apex International Co., Ltd. Chief Operating Officer and Chief Procurement Officer, Apex Circuit (Thailand) Co., Ltd.	Director, Apex International Co., Ltd. Executive Vice President, Apex Circuit (Thailand) Co., Ltd.
Director	Shun-Chung Lee	Male 52	None	Dept. of Business Administration, National ChengChi University Director, Apex International Co., Ltd. Chief Brand Officer and Vice President, Apex Circuit (Thailand) Co., Ltd.	Director, Apex International Co., Ltd. Chief Brand Officer and Vice President, Apex Circuit (Thailand) Co., Ltd.

Category	Name	Gender Age	Shareholdings (shares)	Experience and Education	Current position
Director	Sen-Tien Wu	Male 53	None	Dept. of Money and Banking, National ChengChi University Director & Chief Strategy Officer & Vice President & Chief Corporate Governance Officer, Apex International Co., Ltd.	Director & Chief Strategy Officer & Vice President & Chief Corporate Governance Officer, Apex International Co., Ltd.
Director	Somkiat Krajangjaeng	Male 60	None	Dept. of Mechanical Engineering, Siam University, Thailand Director, Apex International Co., Ltd. Vice President, Apex Circuit (Thailand) Co., Ltd.	Director, Apex International Co., Ltd. Management Representative & Consultant, Apex Circuit (Thailand) Co., Ltd.
Director	Tu-Chuan Chen	Male 61	300,000	Dept. of Education Industrial Education, National Changhua University Director, Apex International Co., Ltd. Chief Technology Officer, Apex International Co., Ltd.	Director, Apex International Co., Ltd. Chief Technology Officer, Apex International Co., Ltd.
Independent Director	Chau-Chin Su	Male 66	None	Doctor of Philosophy, University of Wisconsin-Madison, USA Independent Director, Apex International Co., Ltd. Professor, Electrical and Computer Engineering, National Yang Ming Chiao Tung University	Independent Director, Apex International Co., Ltd.
Independent Director	Yung-Tsai Chen	Male 61	40,744	Master of Business Management, Tatung University Independent Director, Apex International Co., Ltd. Director, Celxpert Energy Corporation	Independent Director, Apex International Co., Ltd. Director, Celxpert Energy Corporation
Independent Director	Jesadavat Priebjrivat	Male 65	None	Master of Business Administration, New York University USA Master of Engineering Administration, The George Washington University, USA Independent Director, Apex International Co., Ltd. Independent Director, Apex Circuit (Thailand) Co., Ltd.	Independent Director, Apex International Co., Ltd. Independent Director, Apex Circuit (Thailand) Co., Ltd. Chairman and Independent Director, Gratitude Infinite Public Co., Ltd.

Category	Name	Gender Age	Shareholdings (shares)	Experience and Education	Current position
				Chairman and Independent Director, Gratitude Infinite Public Co., Ltd. Independent Director, XSpring Capital Public Co., Ltd. Independent Director, Sansiri Public Co., Ltd.	Independent Director, XSpring Capital Public Co., Ltd. Independent Director, Sansiri Public Co., Ltd.
Independent Director	Ray-Hua Horng	Female 57	None	Doctor, Institute of Electrical Engineering, National Sun Yat-sen University Distinguished Professor, Institute of Electronics, National Yang Ming Chiao Tung University Distinguished Professor, Graduate Institute of Precision Engineering, National Chung Hsing University Jointly Appointed Professor, Department of Electro-Optical Engineering, National Cheng Kung University	Distinguished Professor, Institute of Electronics, National Yang Ming Chiao Tung University

Note1 : Above list (A) The candidates for directors and independent directors are in compliance without the negative qualifications of Article 30 of the Company Act. (B) The candidates for independent directors meet the professional qualifications, independence qualifications and restrictions of the independent directors of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"

Note2 : Mr. Jesadavat Priebjrivat's extended tenure on the Board of Directors has not affected his ability to exercise independent judgments with regards to the Company's affairs and the Board of Directors is confident about Mr. Jesadavat Priebjrivat's ability to continue the role of independent director, given his extensive experience and professional capacity in accounting and financial analysis, knowledge of the industry and international market perspective, which enables him to supervise the Board of Directors and offer professional opinions as an independent director. For the above reasons, although Mr. Jesadavat Priebjrivat has served as the Company's independent director for three consecutive sessions, Board of Directors plans to nominate him once again as an independent director candidate of the 6th board of independent director.

Apex International Co., Ltd.**List of Positions of the Candidates for Directors and Independent Directors in Other Companies**

Title	Name	Positions in Other Companies
Director	Shu-Mu Wang	Chairman and Chief Strategy Officer, Apex Circuit (Thailand) Co., Ltd. Chairman, Approach Excellence Trading Ltd.
Director	Jui-Hsiang Chou	Director and Chief Executive Officer, Apex Circuit (Thailand) Co., Ltd.
Independent Director	Yung-Tsai Chen	Director, Celxpert Energy Corporation
Independent Director	Jesadavat Priebjivat	Independent Director, Apex Circuit (Thailand) Co., Ltd. Chairman and Independent Director, Gratitude Infinite Public Co., Ltd. Independent Director, XSpring Capital Public Co., Ltd. Independent Director, Sansiri Public Co., Ltd.

Apex International Co., Ltd.
**Comparison Table for the Amended and Restated Memorandum of Association
and Articles of Association**

Number of Article	After the Amendment	Before the Amendment	Explanation
Memorandum of Association			
Title of the Memorandum of Association	THE COMPANIES <u>ACT (REVISED)</u> COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF Apex International Co., Ltd.	THE COMPANIES <u>LAW (2020 REVISION)</u> COMPANY LIMITED BY SHARES AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF Apex International Co., Ltd.	Wording changes in response to amendment to the Cayman Islands Companies Act.
Article 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 <u>Act (Revised)</u> .	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 <u>Law (2020 Revision)</u> .	Same as above.
Article 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 <u>Act (Revised)</u> 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	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 <u>Law (2020 Revision)</u> 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	Same as above.

Number of Article	After the Amendment	Before the Amendment	Explanation
	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.	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.	
Article 9	<u>The end of the Company's financial year shall fall on December 31 of each year.</u>	(New Article)	The revision is made based on the requirement of the Cayman Islands Registry.
Articles of Association			
Title of the Articles of Association	THE COMPANIES <u>ACT (REVISED)</u> COMPANY LIMITED BY SHARES AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF APEX INTERNATIONAL CO., LTD.	THE COMPANIES <u>LAW (2020 REVISION)</u> COMPANY LIMITED BY SHARES AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF APEX INTERNATIONAL CO., LTD.	Wording changes in response to amendment to the Cayman Islands Companies Act.
Article 1	The Regulations contained or incorporated in Table A of the First Schedule of the Companies <u>Act (Revised)</u> shall not apply to <u>the</u> Company.	The Regulations contained or incorporated in Table A of the First Schedule of the Companies <u>Law (2020 Revision)</u> shall not apply to <u>this</u> Company.	Same as above.
Article 2(a)	In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires: (...) (xiii) means the Electronic Transactions Law <u>Act (Revised)</u> of the Cayman Islands; (...)	In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires: (...) (xiii) means the Electronic Transactions Law <u>Law (2003)</u> of the Cayman Islands; (...)	Same as above.

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p>(xviii) Law the Companies <u>Act (Revised)</u> 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;</p> <p>(...) <u>(xxvi)PRC</u> <u>means the People's Republic of China;</u></p> <p>(...)</p>	<p>(xviii) Law the Companies <u>Law (2020 Revision)</u> 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;</p> <p>(...) (New Article)</p> <p>(...)</p>	<p>The definition is added in order to reflect the requirement of the Shareholders' Right Protection Checklist of the Taiwan Stock Exchange (the "Checklist").</p>
<u>Article 13.3</u>	<p>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 <u>physical</u> general meetings shall be held in the ROC. If the Board resolves to hold a <u>physical</u> general meeting outside the ROC, the Company shall apply for the approval of the TPEX or TWSE</p>	<p>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 physical general meetings shall be held in the ROC. If the Board resolves to hold a physical general meeting outside the ROC, the Company shall apply for the approval of the TPEX or TWSE</p>	<p>The provision is revised in order to reflect the newly amended Article 172-2 of the Company Act as required by the</p>

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p>(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). <u>A general meeting may be held via video-conference or other methods announced by the competent authority of the ROC in charge of the Company Act; provided however that the Company shall comply with the requirements, procedures and other matters prescribed in the Applicable Public Company Rules. If a general meeting is held via video-conference, the Members who attend the meeting via video-conference shall be deemed to have attended the meeting in person.</u></p>	<p>(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).</p>	Checklist.
<u>Article 14.7</u>	(deleted)	<p><u>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.</u></p>	The provision is deleted in order to reflect the requirement of the Checklist.
Article 15.6	The Company shall announce to the public the notice of a general meeting,	The Company shall announce to the public the notice of a general meeting,	The provision is revised in order to

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p>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. <u>The Company shall upload the meeting handbook and supplemental materials to the Market Observation Post System thirty days prior to the annual general meeting if (i) the</u></p>	<p>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.</p>	<p>reflect Paragraph 3, Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies as required by the Checklist.</p>

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p><u>paid-in capital of the Company at the end of the most recent financial year is NTD10,000,000,000 or more or (ii) if the shares held by non-Taiwanese Members and PRC Members account for 30% or more of the total issued and outstanding shares of the Company as shown in the Register of Members under Article 15.3, when the meeting notice for the annual general meeting in the most recent financial year is issued.</u></p>		
Article 20.3	<p>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. If required by the Applicable Public Company Rules, the Company shall adopt electronic transmission as one of the voting methods. (...)</p>	<p>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 <u>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.</u> If required by the Applicable Public Company Rules, the Company shall adopt electronic transmission as one of the voting methods. (...)</p>	<p>The provision is revised in order to reflect the requirement of the Checklist.</p>
Article 56.1	<p><u>(1) Where there are profits in a given year, after reserving the amount for covering the accumulated losses, no more than 2% of the profit shall be distributed</u></p>	(New Article)	<p>This provision is revised to reflect the commercial practice.</p>

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p><u>as employees' compensation and no more than 2% of the profit shall be distributed as Directors' compensation. Employees' compensation may be distributed in the form of shares of the Company or in cash, and may be distributed to the qualified employees of the Company's Subsidiaries. Distribution of employees' compensation and Directors' compensation shall be approved by the Board and in addition thereto a report of such distribution shall be submitted to the annual general meeting.</u></p> <p><u>(2) If there are profits in the final accounts of a given year, the Company shall first make up the losses for the previous years ("Accumulated Losses"), and then set aside a special surplus reserve ("Special Surplus Reserve") as required by the competent securities authority under the Applicable Public Company Rules. The remaining profits after deduction of the Accumulated Losses and Special Surplus Reserve (if any), together with the retained earnings at the beginning of the year, shall be accumulated retained earnings, which may be subject to distribution based on a plan proposed by the</u></p>	<p><u>(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:</u></p> <p><u>(1) no more than 2% as employees' bonus;</u></p>	

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p><u>Board in accordance with the dividend policy of the Company. If all or a part of the distribution will be made in cash, it shall be approved 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; and in addition thereto a report of such distribution shall be submitted to the annual general meeting.</u> In the case of Article 11.4(d), a supermajority resolution <u>shall be passed at</u> annual general meetings.</p> <p><u>(3)</u> 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</p>	<p><u>(2) no more than 2% as directors' bonus; and</u> <u>(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.</u></p> <p><u>When employees' bonus is distributed by way of stock dividend, the recipients may include qualified employees of the Company's Subsidiaries.</u> <u>No unpaid dividend and bonus shall bear interest as against the Company.</u></p> <p><u>(2)</u> 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</p>	

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p>Board, <u>and the Board may recommend to distribute no less than 10% of the profit of the current year as dividend.</u> 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.</p>	<p>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.</p>	

Apex International Company Limited

Comparison Table of Amendments to "Procedures for Endorsement and Guarantee"

After the Amendment	Before the Amendment	Explanation
<p>Article 6 (...) In the case the Company and its subsidiaries provide endorsement and/or guarantee to a subsidiary whose net worth is less than 50% of the paid-in capital, the prescribed evaluating procedures should be followed, must be deliberated by Audit Committee and then submitted to the Board of Directors for the resolution. <u>Financial and Accounting department and related Departments shall follow up on financial status of the guarantees and evaluate the relevant risks. If the unusual issues are found, it shall establish risk control measures and exercise implementation review, as well as regularly report</u> to control the contingent risk that may be brought about by the endorsement. <u>For purposes of determining the paid-in capital of the above-mentioned subsidiary receiving any it or its subsidiaries endorsement/guarantee who has no par value or has a par value other than NT\$10, the sum of the share capital plus "capital surplus - additional paid-in capital" shall be deemed as its paid-in capital.</u> (...)</p>	<p>Article 6 (...) In the case the Company and its subsidiaries provide endorsement and/or guarantee to a subsidiary whose net worth is less than 50% of the paid-in capital, the prescribed evaluating procedures should be followed, must be deliberated by Audit Committee and then submitted to the Board of Directors for the resolution. <u>Over half of all the directors should jointly endorse the potential loss in order</u> to control the contingent risk that may be brought about by the endorsement. (...)</p>	<p>Conform to the amendments to the practical operation.</p>

Apex International Co., Ltd.

Comparison Table of Amendments to "Procedures for the Acquisition or Disposal of Assets"

After the Amendment	Before the Amendment	Explanation
<p>Article 3 The methods and reference criteria for determining the price at which the Company acquires or disposes of assets shall comply with the following:</p> <p>1. Securities investments (...) In addition, when the amount of a transaction reaches 20 percent of paid-in capital or NT\$300 million or more, the Company shall obtain an opinion from a CPA on the reasonableness of the trading price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or that are subject to <u>other</u> Financial Supervisory Commission's Regulations.</p> <p>2. Real property, equipment or right-of-use assets: (...) (3) Where any of the following circumstances applies with respect to the results of a professional appraisal, unless all the appraisal results for the</p>	<p>Article 3 The methods and reference criteria for determining the price at which the Company acquires or disposes of assets shall comply with the following:</p> <p>1. Securities investments (...) In addition, when the amount of a transaction reaches 20 percent of paid-in capital or NT\$300 million or more, the Company shall obtain an opinion from a CPA on the reasonableness of the trading price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market or that are subject to Financial Supervisory Commission's <u>Interpretation concerning the Article 10 provisions in the Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</u></p> <p>2. Real property, equipment or right-of-use assets: (...) (3) Where any of the following circumstances applies with respect to the results of a professional appraisal, unless all the appraisal results for the</p>	<p>The revision is made based on the revised Regulations Governing the Acquisition and Disposal of Assets by Public Companies ("Regulations").</p>

After the Amendment	Before the Amendment	Explanation
<p>assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to issue a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(...)</p> <p>3. Intangible assets, right-of-use assets or Membership certificates</p> <p>When acquiring or disposing of membership certificates, the Company shall first collect relevant price information and use one of two methods, price comparison or price negotiation, to effect acquisition or disposal. When acquiring or disposing of intangible assets, the Company shall also collect relevant price information, and shall make a careful assessment of the relevant laws and regulations and the content of the contract in order to decide the transaction price. When a transaction amount for acquisition or disposal of intangible assets or its right-of-use assets or membership certificates reaches 20 percent of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall seek an opinion from a CPA on the</p>	<p>assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to <u>perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 issued by the ARDF and to</u> issue a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(...)</p> <p>3. Intangible assets, right-of-use assets or Membership certificates</p> <p>When acquiring or disposing of membership certificates, the Company shall first collect relevant price information and use one of two methods, price comparison or price negotiation, to effect acquisition or disposal. When acquiring or disposing of intangible assets, the Company shall also collect relevant price information, and shall make a careful assessment of the relevant laws and regulations and the content of the contract in order to decide the transaction price. When a transaction amount for acquisition or disposal of intangible assets or its right-of-use assets or membership certificates reaches 20 percent of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall seek an opinion from a CPA on the</p>	

After the Amendment	Before the Amendment	Explanation
<p>reasonableness of the transaction price.</p> <p>(...)</p>	<p>reasonableness of the transaction price. <u>The CPA shall issue its opinion in accordance with the provisions of the Statement of Auditing Standards No. 20 issued by the ARDF.</u></p> <p>(...)</p>	
<p>Article 5 (...) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline rules of the associations to which it belongs and</u> the following: (...) 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>suitable and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>Article 5 (...) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: (...) 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>The revision is made based on the revised Regulations.</p>

After the Amendment	Before the Amendment	Explanation
<p>Article 7 (...) <u>If the Company or its subsidiary that is not a domestic listed company has the transaction mentioned in the first paragraph, and the transaction amount is more than 10% of the Company's total assets. The Company shall submit the information listed in the first paragraph to the shareholders' meeting for approval before signing a transaction contract and making payment. However, the transaction between the Company and its parent company or its subsidiaries, or the transaction between its subsidiaries, is not limited to this.</u></p> <p>The calculation of the transaction amounts referred to in the <u>first and the</u> preceding paragraph shall be done in accordance with the paragraph 2 of Article 17, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which had been submitted to Audit Committee for deliberation and then submitted to Board of Directors <u>and shareholders' meeting</u> for approval in accordance with the Procedures need not be counted toward the transaction amount. (...)</p>	<p>Article 7 (...)</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with the paragraph 2 of Article 17, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which had been submitted to Audit Committee for deliberation and then submitted to Board of Directors for approval in accordance with the Procedures need not be counted toward the transaction amount. (...)</p>	<p>The revision is made based on the revised Regulations.</p>
<p>Article 17 (...) 7. (...) (1) Trades in domestic government bonds <u>or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.</u> (2) Securities trading by</p>	<p>Article 17 (...) 7. (...) (1) Trades in domestic government bonds. (2) Securities trading by</p>	<p>The revision is made based on the revised Regulations.</p>

After the Amendment	Before the Amendment	Explanation
<p>investment professionals on securities exchanges or over-the-counter markets, or subscription of ordinary corporate bonds, <u>foreign government bonds</u> or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription of securities by an investment professionals of ordinary corporate bonds or of general bank debentures without equity characteristics that are offered and issued in the domestic primary market <u>or the subscription and sellback of the Exchange Traded Notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(...)</p>	<p>investment professionals on securities exchanges or over-the-counter markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription of securities by an investment professionals of ordinary corporate bonds or of general bank debentures without equity characteristics that are offered and issued in the domestic primary market, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(...)</p>	