



Stock Code 4927

# Apex International Co., Ltd.

A stylized illustration of a sustainable landscape. It features green mountains, a hot air balloon, wind turbines, solar panels, a cow, and modern buildings. A large green circle with a white outline is positioned behind the text.

## Annual General Meeting Meeting Handbook (Translation) 2022

*(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.)*

Method of Convening the Meeting : Physical Meeting

Date of the Meeting : May 24, 2022 at 09:00 a.m.

Place of the Meeting : Primasia Conference & Business Center

(2F, No.99, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan R.O.C.)

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# **MEETING PROCEDURES**

## **Apex International Co., Ltd. 2022 Annual General Meeting Procedures**

- Call Meeting to Order
  
- Chairman's Remarks
  
- Report Items
  
- Approval Items
  
- Election Item
  
- Discussion Items
  
- Extemporary Motion
  
- Meeting Adjourned

# MEETING AGENDA

## Apex International Co., Ltd. 2022 Annual General Meeting Agenda (Translation)

Date : May 24, 2022 at 09:00 a.m.

Place : Primasia Conference & Business Center

(2F, No.99, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan R.O.C.)

1. Report Items
  - 1.1. 2021 Operation Report
  - 1.2. 2021 Final Accounting Books and Financial Statements Reviewed by Audit Committee
2. Approval Items
  - 2.1 2021 Final Accounting Books and Financial Statements
  - 2.2 2021 Annual Distribution of Earning of the Company
3. Election Item
  - 3.1 Election of the Company's Directors
4. Discussion Items
  - 4.1 Releasing Newly-Elected Directors from Non-competition Restrictions
  - 4.2 Amendment to the "Memorandum of Association and Articles of Association" of the Company
  - 4.3 Amendment to the "Procedures for Endorsement and Guarantee" of the Company
  - 4.4 Amendment to the "Procedures for the Acquisition or Disposal of Assets" of the Company
5. Extemporaneous Motion
6. Meeting Adjourned

## **Report Items**

- (1) 2021 Operation Report  
2021 Operation Report, please refer to Attachment 1.
  
- (2) 2021 Final Accounting Books and Financial Statements Reviewed by Audit Committee  
2021 Final Accounting Books and Financial Statements Reviewed by Audit Committee, please refer to Attachment 2.

## 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.

Resolved:

(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.

Resolved:

## 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 Result:

## 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.

Resolved:

- (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.

Resolved:



## Discussion Items

- (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.

Resolved:

- (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.

Resolved:

**Extemporary Motion**

**Meeting Adjourned**

## 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 (%)	8.09%	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

- 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 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**

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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'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

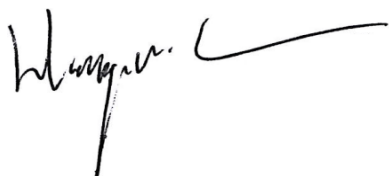
Apex, as a factory located in Thailand, keeps looking for stable sources of orders. In recent years, Apex was always being threatened by PCB competitors from China with their growing capacity and declining price. However Apex keeps pursuing higher internal operating performance in order to meet customers' 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". The signature is written in a cursive style with a large, sweeping initial letter.

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

**KPMG**

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**Independent Auditors' Report**

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

**Opinion**

We have audited the consolidated financial statements of Apex International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 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	%
<b>Assets</b>					<b>Liabilities and Equity</b>				
11xx <b>Current assets:</b>					21xx <b>Current liabilities:</b>				
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	-
<b>Total current assets</b>	<b>9,065,976</b>	<b>46</b>	<b>6,925,804</b>	<b>45</b>	2322 Current portion of long-term loans (notes 6(a), (g), (k), 7 and 8)	1,082,462	6	297,010	2
15xx <b>Non-current assets:</b>					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	<b>Total current liabilities</b>	<b>8,894,604</b>	<b>45</b>	<b>5,244,657</b>	<b>34</b>
1755 Right-of-use asset (notes 6(f), (g), (h) and (m))	123,219	1	297,935	2	25xx <b>Non-Current liabilities:</b>				
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
<b>Total non-current assets</b>	<b>10,729,447</b>	<b>54</b>	<b>8,342,558</b>	<b>55</b>	<b>Total non-current liabilities</b>	<b>3,471,138</b>	<b>17</b>	<b>2,362,734</b>	<b>16</b>
					<b>Total liabilities</b>	<b>12,365,742</b>	<b>62</b>	<b>7,607,391</b>	<b>50</b>
					2xxx <b>Equity attributable to owners of parent (notes 6(l) and (p)):</b>				
					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)	-
					<b>Total equity attributable to owners of parent</b>	<b>7,396,475</b>	<b>38</b>	<b>7,624,632</b>	<b>50</b>
					36xx <b>Non-controlling interests</b>	<b>33,206</b>	<b>-</b>	<b>36,339</b>	<b>-</b>
					3xxx <b>Total equity</b>	<b>7,429,681</b>	<b>38</b>	<b>7,660,971</b>	<b>50</b>
1xxx <b>Total assets</b>	<b>\$19,795,423</b>	<b>100</b>	<b>15,268,362</b>	<b>100</b>	2-3xxx <b>Total liabilities and equity</b>	<b>\$19,795,423</b>	<b>100</b>	<b>15,268,362</b>	<b>100</b>

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

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2021 and 2020**

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

	2021		2020	
	Amount	%	Amount	%
4000 <b>Operating revenue (note 6(r))</b>	\$ 14,800,683	100	11,832,513	100
5000 <b>Operating costs (notes 6(e), (g), (h), (i), (m) and (n))</b>	11,681,718	79	9,325,012	79
5900 <b>Gross profit from operations</b>	3,118,965	21	2,507,501	21
6000 <b>Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (p) and 7):</b>				
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)	-
<b>Total operating expenses</b>	<b>1,641,557</b>	<b>12</b>	<b>1,313,390</b>	<b>11</b>
6900 <b>Operating income</b>	<b>1,477,408</b>	<b>9</b>	<b>1,194,111</b>	<b>10</b>
7000 <b>Non-operating income and expenses (notes 6(b), (g), (h), (l), (m) and (s)):</b>				
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)	-
<b>Total non-operating income and expenses</b>	<b>(41,380)</b>	<b>-</b>	<b>44,566</b>	<b>-</b>
7900 <b>Profit from continuing operations before tax</b>	<b>1,436,028</b>	<b>9</b>	<b>1,238,677</b>	<b>10</b>
7951 Less: Income tax expenses (note 6(o))	52,146	-	34,922	-
8200 <b>Profit</b>	<b>1,383,882</b>	<b>9</b>	<b>1,203,755</b>	<b>10</b>
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	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	<b>6,512</b>	<b>-</b>	<b>7</b>	<b>-</b>
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	(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	<b>(1,047,108)</b>	<b>(7)</b>	<b>(436,353)</b>	<b>(4)</b>
8300 <b>Other comprehensive income (loss)</b>	<b>(1,040,596)</b>	<b>(7)</b>	<b>(436,346)</b>	<b>(4)</b>
8500 <b>Total comprehensive income (loss)</b>	<b>\$ 343,286</b>	<b>2</b>	<b>767,409</b>	<b>6</b>
<b>Profit, attributable to:</b>				
8610 Owners of parent	\$ 1,377,897	9	1,198,609	10
8620 Non-controlling interests	5,985	-	5,146	-
	<b>\$ 1,383,882</b>	<b>9</b>	<b>1,203,755</b>	<b>10</b>
<b>Comprehensive income (loss) attributable to:</b>				
8710 Owners of parent	\$ 341,657	2	764,096	6
8720 Non-controlling interests	1,629	-	3,313	-
	<b>\$ 343,286</b>	<b>2</b>	<b>767,409</b>	<b>6</b>
<b>Basic earnings per share (expressed in New Taiwan dollars) (note 6(q))</b>				
9750 Basic earnings per share	<b>\$ 7.25</b>		<b>6.31</b>	
9850 Diluted earnings per share	<b>\$ 7.25</b>		<b>6.31</b>	

(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				
<b>Balance at January 1, 2020</b>	\$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)
<b>Balance at December 31, 2021</b>	<b>\$1,899,380</b>	<b>2,405,512</b>	<b>300,256</b>	<b>3,840,296</b>	<b>4,140,552</b>	<b>(1,048,969)</b>	<b>7,396,475</b>	<b>33,206</b>	<b>7,429,681</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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,436,028	1,238,677
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
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)
<b>Total adjustments to reconcile profit</b>	<u>930,494</u>	<u>817,923</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	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)
<b>Total changes in operating assets</b>	<u>(2,344,849)</u>	<u>(1,150,891)</u>
<b>Changes in operating liabilities:</b>		
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
<b>Total changes in operating liabilities</b>	<u>1,195,926</u>	<u>1,121,897</u>
<b>Total changes in operating assets and liabilities</b>	<u>(1,148,923)</u>	<u>(28,994)</u>
<b>Total adjustments</b>	<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)
<b>Net cash flows from operating activities</b>	<u>1,125,798</u>	<u>1,965,551</u>
<b>Cash flows from (used in) investing activities:</b>		
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)
<b>Net cash flows used in investing activities</b>	<u>(3,732,575)</u>	<u>(2,228,129)</u>
<b>Cash flows from (used in) financing activities:</b>		
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)	-
<b>Net cash flows from financing activities</b>	<u>2,815,342</u>	<u>945,023</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(369,873)</u>	<u>(160,664)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(161,308)</u>	<u>521,781</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>821,682</u>	<u>299,901</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 660,374</u>	<u>821,682</u>

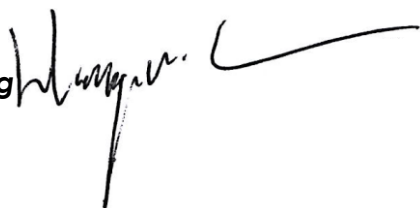


**Apex International Co., Ltd.**  
**2021 Profit Distribution Table**

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**


## Attachment 5

**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 6<sup>th</sup> 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>	<p>Checklist.</p>
<p><u>Article 14.7</u></p>	<p>(deleted)</p>	<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>	<p>The provision is deleted in order to reflect the requirement of the Checklist.</p>
<p>Article 15.6</p>	<p>The Company shall announce to the public the notice of a general meeting,</p>	<p>The Company shall announce to the public the notice of a general meeting,</p>	<p>The provision is revised in order to</p>

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</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>shall be distributed as employees' compensation and no more than 2% of the profit shall be distributed as Directors' compensation.</u>  <u>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.</u>  <u>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</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>  <u>(1) no more than 2% as</u></p>	

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p><u>plan proposed by the 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</p>	<p><u>employees' bonus;</u>  <u>(2) no more than 2% as</u>  <u>directors' bonus; and</u>  <u>(3) no less than 10% as</u>  <u>dividend to be paid to</u>  <u>the Members in</u>  <u>proportion to the</u>  <u>number of shares held</u>  <u>by them. In addition,</u>  <u>the Board may make</u>  <u>proposals for the</u>  <u>distribution of the</u>  <u>accumulated</u>  <u>undistributed earnings</u>  <u>from the previous years</u>  <u>after taking into</u>  <u>account the actual</u>  <u>operations, future</u>  <u>capital expenditures or</u>  <u>other material matters</u>  <u>related to the</u>  <u>operations.</u></p> <p><u>When employees' bonus is</u>  <u>distributed by way of stock</u>  <u>dividend, the recipients</u>  <u>may include qualified</u>  <u>employees of the</u>  <u>Company's Subsidiaries.</u>  <u>No unpaid dividend and</u>  <u>bonus shall bear interest as</u>  <u>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</p>	

Number of Article	After the Amendment	Before the Amendment	Explanation
	<p>shall be proposed by the 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>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.</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</p> <p>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</p> <p>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>(...)</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>(...)</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>	

## 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) before 30 days before the date of a regular shareholders meeting or before 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 before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 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 the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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

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

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 submit to the Company a proposal for discussion at an annual general meeting. The number of items so proposed, however, is 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.

A shareholder may submit proposal for urging the Company to 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.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

Prior to the date for issuance of notice of a shareholders meeting, 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 and announce relevant information such as the number of non-voting rights and the number of shares present.

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

Except with the consent of the chair, a shareholder may not speak more than twice



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

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

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

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

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 and the list of directors who lose elections with the number of voting rights those director obtained.

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 June 03, 2020, was approved by the board of directors on March 03, 2021 and approved by the shareholders' meeting on July 02, 2021 and are added and amended in consideration of the operation practice.*

**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 Committee** means the compensation committee under the Board;
  - (x) **Dissenting** has the same meaning as in Article 23.2;

	Member	
(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;
(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 scrippless 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[ ]

**Signed by:**

**In the presence of:**

\_\_\_\_\_  
**Transferor**

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Transferee**

\_\_\_\_\_  
**Witness**

- 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 authorised 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 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 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.

**Apex International Co., Ltd.**  
**Procedures for Election of Directors**

**Article 1**

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

**Article 2**

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

**Article 3**

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

**Article 4**

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. When the number of directors falls below five due to the dismissal of a director for any



reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### **Article 5**

The cumulative voting method shall 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.

#### **Article 6**

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

#### **Article 7**

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.

#### **Article 8**

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.

#### **Article 9**

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

#### **Article 10**

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### **Article 11**

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

*This "Procedures for Election of Directors", with reference to the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" announced on June 03, 2020, was approved by the board of directors on March 03, 2021 and approved by the shareholders' meeting on July 02, 2021 and are added and amended in consideration of the operation practice.*

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

Record Date: March 26, 2022 (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%
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 shares on June 05, 2019 : 184,752,016 shares

Total issued shares on March 26, 2022 : 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.

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

Relevant Information on Proposals and Nomination 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 and nomination accepting period of 2022 Annual General Meeting is from March 08, 2022 to March 18, 2022.
- (2) Other than the nomination of candidates for the Company's 6th Session of directors (including independent directors) by the board of directors, no proposal or nomination are proposed by shareholders holding 1% or more of the total number of issued shares of the Company during the abovementioned period.



**APEX**  
**SANDBOX**

Check | Treat | Control | Take care