

# **APCB INC.**

## **2024 Annual Shareholders' Meeting**

### **Meeting Handbook**

**Type of Meeting: Physical Meeting**

**Meeting Time: June 19, 2024**

**Meeting Venue: No. 240, Sec. 3, Daguan Rd., Banqiao  
Dist., New Taipei City**

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# APCB INC.

## 2024 Annual Shareholders' Meeting Procedure

- I. Calling Meeting to Order
- II. Chairperson's Address
- III. Report Items
- IV. Proposals
- V. Extraordinary Motions
- VI. Adjournment

# APCB INC.

## 2024 Annual Shareholders' Meeting Agenda

- I. Time: 9:00 a.m. on Wednesday, June 19, 2024
- II. Venue: No. 240, Sec. 3, Daguan Rd., Banqiao Dist., New Taipei City (Qukunlun Park Activity Center)
- III. Type of Meeting: Physical Meeting
- IV. Reporting Total Number of Shares Represented and Calling Meeting to Order by Chairperson
- V. Chairperson's Address
- VI. Report Items
  - (I) 2023 Business Report
  - (II) 2023 Audit Committee Report
  - (III) Report on Endorsements/Guarantees Status in 2023
  - (IV) Report on Loaning of Funds in 2023
  - (V) Report on Investment status in Mainland China in 2023
  - (VI) Report on Distribution of Remuneration to Employees and Directors of 2023
- VII. Proposals
  - (I) The Company's 2023 financial statements and business report are proposed for acceptance.
  - (II) The Company's 2023 earnings allocation is proposed for acceptance.
- VIII. Extraordinary motions.
- IX. Adjournment

# Report Items

I. 2023 Business Report

Explanation: Please refer to page 4-5 of this meeting handbook.

II. 2023 Audit Report of Audit Committee

Explanation: Please refer to the “Audit committee report” on page 6 of this meeting handbook.

III. Report on Endorsements/Guarantees Status in 2023

Explanation: Please refer to page 7 of this meeting handbook.

IV. Report on Loaning of Funds in 2023

Explanation: Please refer to page 8 of this meeting handbook.

V. Report on Investment status in Mainland China in 2023

Explanation: Please refer to page 9 of this meeting handbook.

VI. Report on Distribution of Remuneration to Employees and Directors of 2023

Explanation: I. The distribution is pursuant to the provisions of Article 19 of the Company’s Articles of Incorporation.

II. For 2023, the Company appropriated NT\$7,450,591 for remuneration to employees and NT\$2,857,649 for remuneration to directors, all of which are paid in cash. There was no difference between the payment amount and the estimated amount in the year in which the expenses were recognized.

III. The proposal has been reviewed by the remuneration committee and approved by the board of directors; thereafter, it is reported to the shareholders’ meeting pursuant to laws.

## 2023 Business Report

As the COVID-19 pandemic ebbed in 2023, relevant restrictions in Mainland China were gradually lifted. The sudden massive defaults of Chinese property companies again loomed the signal of economic recovery after the reopening, not to mention the peaking inflation rate in the U.S. As a result, the consumer electronics market in 2023 remained at the valley of an economic downturn.

The Company's standalone operating revenue for 2023 was NT\$1,280,685 thousand with a gross loss of NT\$35,284 thousand. In comparison with 2022, the operating revenue and gross loss decreased by 10.75% and 67.28%, respectively. The decreased operating revenue was a result of poor demand for consumer electronics, leading to a slide of the revenue from NB CAM module boards and SMD LED boards. On the other hand, the gross loss has been eased by the austerity measures taken on costs, expenses and labor, so, despite the declined revenue, the gross loss decreased from the previous year.

The Company's 2023 consolidated operating revenue was NT\$5,950,962 thousand and consolidated gross profit was NT\$580,802 thousand, a 14.44% decrease and a 13.79% increase from the last year, respectively. Of the entities included in the consolidated financial statements other than the Company, the operating revenues of APCB (Kunshan), a subsidiary in Mainland China, and APCB (Thailand), a subsidiary in Thailand, were down by 11.81% and 21.37% from the last year, respectively; in terms of the consolidated gross profit, APCB (Thailand) saw a decrease of 0.82% whereas both the Company and APCB (Kunshan) experienced a growth from the previous year.

Looking ahead to 2024, following the interest rate hike in the U.S., the annual inflation growth rate has been under control and showed a downward trend while the construction of AI data centers is booming and cutting edge AI products have started to make their debut. We can expect a series of introductions of AI PCs, notebooks and smartphones by various brands, which will inject much energy to the recovery of consumer electronics market, in the second half of the year.

### (I) Business Plan Implementation Results

Unit: NTD thousand

Items \ Year	2022	2023	Variance Ratio
Operating revenue	6,954,943	5,950,962	-14.44%
Operating costs	6,444,508	5,370,160	-16.67%

Operating Income	510,435	580,802	13.79%
Operating expenses	653,137	650,848	-0.35%
Operating net income (losses)	-142,702	-70,046	-50.91%
Non-operating revenue and expenses	176,482	149,340	-15.38%
Net income (losses) before tax	33,780	79,294	134.74%
Net income (losses) of the period	34,874	54,307	55.72%

(II) Analysis of financial balance and profitability

Items \ Year		2022	2023
Financial Structure	Debt to asset ratio	58.70%	59.96%
	Long-term funds to property, plant and equipment ratio	183.15%	204.15%
Profitability	Return on assets	1.29%	1.56%
	Return on Equity	0.97%	1.51%
	Profit before tax to paid-in capital ratio	2.11%	4.96%
	Profit margin	0.50%	0.91%
	Earnings per share	\$0.22	\$0.34

(III) Budget implementation: The Company did not publish its financial forecast for 2023, so it is not applicable.

(IV) Research and Development: In addition to the development of products and technology that meet the market demand requested by its customers, the Company continues to advance its innovation in new camera modules and SMD LED environmental sensors, and at the same time aims at the research and development of heavy copper products for high-power industrial power supply units, power IC copper substrates, high-speed transmission products and special automotive products.

Chairman:  
Tsao, Yueh-Hsia

Manager:  
Lai, Chin-Tsai

Accounting Supervisor:  
Tsai, Cheng-Hung

APCB INC.  
Audit Committee Report

The board of directors has prepared the Company's 2023 Business Report, Financial Statements, and earnings allocation proposal. The CPA firm of KPMG was retained to audit the company's financial statements and has issued an audit report. The foregoing business report, financial statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the audit committee members. According to applicable requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report

To

2024 Annual Shareholders' Meeting of APCB INC.

APCB INC.  
Convener of Audit Committee: Chang, Hui

March 8, 2024



## Report on Endorsements/Guarantees Status in 2023

Unit: NTD thousand

Endorsement/ guarantee provider	Guaranteed party		Limits on endorsement/ guarantee amount provided to each guaranteed party	Maximum Balance of endorsement/ guarantee for the Period	Ending Balance of endorsement/ guarantee	Amount actually drawn for the period	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net worth stated in latest financial statements	Maximum endorsement/ guarantee amount allowable
Company Name	Company Name	Relation							
The Company	APCB Electronics (Kunshan) Co., Ltd.	Investee company accounted by the equity method	2,850,502	1,306,378	<b>1,203,113</b>	51,924	-	33.77%	3,563,128
The Company	APCB Electronics (Thailand) Co., Ltd.	Investee company accounted by the equity method	2,850,502	1,182,572	<b>1,078,175</b>	443,687	-	30.26%	3,563,128

Note: According to the Company's "Procedures of Endorsements/Guarantees," the total amount of the Company's external endorsements/guarantees shall not exceed 100% of the Company's net worth stated in the latest financial statements, and the amount of endorsements/guarantees to each company shall not exceed 80% of the Company's net worth stated in the latest financial statements. For those engaged in endorsements/guarantees due to dealings, the amount shall not exceed the total amount of transactions with the company in the latest year (the higher amount of purchases or sales between the two parties).

## Report on Loaning of Funds in 2023

Unit: USD thousand

Financing company	Counterparty	Maximum balance for the period	Ending balance	Amount actually drawn for the period	Interest rate range (%)	Nature for financing	Amount of business dealings	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits
										Item	Value		
APCB Holdings LIMITED	APCB Electronics (Thailand) Co., Ltd.	USD9,590	<b>USD9,590</b>	USD9,590	0	Short-term financing	-	The need for working capital	-		-	USD9,591	USD9,591
U-PEAK Ltd.	APCB Electronics (Thailand) Co., Ltd.	USD4,900	<b>USD4,900</b>	USD4,900	0	Short-term financing	-	The need for working capital	-		-	USD57,031	USD57,031
U-PEAK Ltd.	APCB International Co., Ltd.	USD24,200	<b>USD24,200</b>	USD24,200	0	Short-term financing	-	The need for working capital	-		-	USD57,031	USD57,031
GREEN ELITE LIMITED	APCB International Co., Ltd.	USD1,000	<b>USD1,000</b>	USD1,000	0	Short-term financing	-	The need for working capital	-		-	USD1,263	USD1,263
PROSPER PLUS LIMITED	APCB Electronics (Thailand) Co., Ltd.	USD3,000	<b>USD3,000</b>	USD3,000	0	Short-term financing	-	The need for working capital	-		-	USD5,337	USD5,337
PROSPER PLUS LIMITED	APCB International Co., Ltd.	USD2,000	<b>USD2,000</b>	USD2,000	0	Short-term financing	-	The need for working capital	-		-	USD5,337	USD5,337

Note: According to the Company's "Procedure of Loaning of Funds to Others," the total amount of funds loaned to others is limited to 40% of the net worth stated in the latest financial statements. The total amount of funds loaned to others for the need of short-term inter-company or inter-enterprise financing shall not exceed 40% of the Company's net worth stated in its latest financial statements, and the amount of loans to each company/enterprise shall not exceed 30% of the Company's net worth stated in its latest financial statements. For those companies/enterprises with which the Company has business dealings, the maximum amount shall not exceed 40% of the Company's net worth stated in the latest financial statements; the amount of each loan shall be limited to the amount of business dealings between the two parties. The amount of business dealings refers to the higher of the purchase or sale amount between two parties.

According to the "Regulations Governing Investee Companies' Loaning of Funds to Others" formulated by the Company, the loan of funds between foreign companies in which the company directly or indirectly owns 100% of the voting shares is not subject to the limit of 40% of the net worth of the Company and the term of one year. However, the total amount of the loan shall not exceed 100% of the net worth of the company of the loan; each limit shall not exceed 100% of the net worth of the company of the loan.

Besides this, the term shall not exceed five years.

# Report on Investment status in Mainland China in 2023

Unit: \$thousand

Investee Company in Mainland China	Main Businesses	Paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of the beginning of the period	Investment inflow and outflow of the period		Accumulated Outflow of Investment from Taiwan of the period	Percentage of direct or indirect shareholding of the Company	Share of profits/losses of the period (note)	Carrying Amount as of the end of the period (note)	Accumulated inward remittance of earnings as of the end of the period
					Outflow	Inflow					
APCB Electronics (Kunshan) Co., Ltd.	Design, development, production and operation of multilayer circuit boards and new electronic components	US\$25,500	Investment in Mainland China companies through an existing company established in a third region	US\$26,675	-	-	US\$26,675	100%	US\$6,895	US\$58,340	US\$136,282
HAO DUO Electronics Co., Ltd.	Sales and purchase of circuit boards	US\$210	Investment in Mainland China companies through an existing company established in a third region	US\$210	-	-	US\$210	100%	US\$289	US\$1,940	-

Accumulated outflow of investment from Taiwan as of the end of the period	Investment amounts authorized by investment commission, MOEA	Upper limit on investment in Mainland China stipulated by investment commission, MOEA
US\$26,885 thousand	US\$26,885 thousand	NT\$2,137,877 thousand

Note: The investment profit/loss and carrying amounts disclosed by the Company represent the amounts of each direct or indirect investment. The investment profit recognized by the Company is based on the investee company's financial statements audited by the parent company's certified public accountants in Taiwan and is accounted by the equity method.

# Proposals

## Motion I.

**(Proposed by the Board of Directors)**

Cause: The Company's 2023 financial statements and business report are proposed for acceptance.

- Explanation:
- I. CPA Chao, Min-Ju and CPA Lu, Li-Li of KPMG CPA firm was retained to audit the company's financial statements and has issued an audit report. Additionally, the board of directors has approved the Company's 2023 Business Report.
  - II. For the preceding business reports, independent auditors' reports and financial statements, please refer to page 4-5 and page 13-30 of this meeting handbook.
  - III. Please accept the statements and report.

Resolution:

## Motion II.

**(Proposed by the Board of Directors)**

Cause: The Company's 2023 earnings allocation is proposed for acceptance.

- Explanation:
- I. The Company prepared the 2023 earnings distribution table in accordance with Article 20 of the Articles of Incorporation. Please refer to the appendix table.
  - II. The Cash dividends are proposed to be distributed at \$0.5 per share (rounded to the nearest dollar). The fractional balance of all dividends less than NT\$1 will be summed up and recognized as other revenue of the Company. The board of directors is authorized to set the record date and the payment date after the approval at this regular shareholders' meeting.
  - III. Please accept the earnings allocation.

Resolution:

APCB INC.  
Earnings Allocation Table  
2023

Unit: NT\$

Items	Amount
Beginning balance	900,264,133
Less: re-measurements of the net defined benefit plan	(1,799,620)
Add: net income after tax of the period	54,306,338
Less: legal reserve appropriation (10%)	(5,250,672)
Less: special reserve appropriation	(26,066,767)
Retained earnings available for distribution	921,453,412
Appropriation:	
Less: cash dividends to shareholders (\$0.5 per share)	(79,949,656)
Undistributed earnings at the end of the period	841,503,756

Note: The capital stock for the calculation of shareholders' cash dividends is the paid-in capital of \$1,598,993,110 in March 2024.

Chairman:  
Tsao, Yueh-Hsia

Manager:  
Lai, Chin-Tsai

Accounting Supervisor:  
Tsai, Cheng-Hung

Extraordinary Motions

Adjournment

## **Appendix I**

### **Independent Auditor's Report**

To APCB INC.

#### **Audit opinions**

We have audited the accompanying consolidated financial statements of APCB INC. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of from January 1 to December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies as of from January 1 to December 31, 2023 and 2022.

In our opinion, the aforementioned consolidated financial statements fairly present in all material respects of the financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its cash flows for each of the years started January 1 and ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group's unconsolidated financial statements for the year ended December 31, 2022 are stated as follows:

## 1. Recognition of revenue

Please refer to Note 4 (13) in the consolidated financial statements for the accounting policy of the recognition of revenue; please refer to Note 6 (20) in the consolidated financial statements for the disclosure of revenue items.

### Description of key audit matters:

Sales revenue is one of the key indicators for the investors and the management to assess the financial or business performance of the Group. In addition, the Group is a TWSE listed company, which receives high attention of the investors. Moreover, the recognition of revenue, the judgement on time the control of the product being transferred, and some of the sales transactions providing discounts, refunds, or rewards to customer as agreed in the contract are critical for the fair presentation of the financial statements. Therefore, we regard the correctness of recognition of revenue as one of the most significant audit matter in this year's audit.

### Responding audit procedure

We have executed the following responding audit procedure on the aforementioned key audit items:

- Conduct tests on the effectiveness of the design and implementation of internal control related to the recognition of revenues, including randomly selecting samples to verify the basic information, transaction terms, and payment receipts of customers.
- Conduct trend analysis on the top 10 customers in terms of sales, including comparing the customer list and the amount of sales revenue in the current period, last period, and the same period in the previous year, to analyze whether or not there is any significant abnormality. In case of any significant changes, we will verify them and analyze the causes.
- Randomly inspect the annual sales transactions to assess the truthfulness of sales transactions, the correctness of recognition amount of the sales revenue, and the reasonableness of the time being recognized.
- The reasonableness of the estimates of discounts, refunds, or rewards is verified based on the calculation document approved by the management and random inspection on the clauses in the sales contracts.
- Test the samples of sales transactions prior to and after the end of the fiscal year to assess whether or not the timing of recognizing the revenue is appropriate.

## 2. Impairment assessment on property, plant and equipment

Please refer to Note 4 (12) Impairment of non-financial asset in the consolidated financial reports for the accounting policy for the impairment of property, plant and equipment; please refer to Note 5 of the consolidated financial reports for the accounting estimates and assumption uncertainty of the impairment of property, plant and equipment; please refer to Note 6 (9) of the consolidated financial reports for the



description on the assessment on the impairment of property, plant and equipment.

Description of key audit matters:

The Group's subsidiary in Thailand holds property and significant amount of manufacturing equipment. Where the profit is less than expected due to poor operating performance or other unexpected conditions, the book value of the assets might be overestimated. As such, the assets may be in significant impairment risk. During the assessment on the impairment of assets, it involved the subjective judgment of the management to determine the estimate of the recoverable amount is based on the assumption. Any change in the economics or the change in the estimate of the Company's strategy may cause significant impairment loss from significant impairments or reversals. Therefore, we regard the assessment on the impairment of property, plant and equipment as one of the most significant audit matter in this year's audit.

Responding audit procedure:

We have executed the following responding audit procedure on the aforementioned key audit items:

- Obtained the description on the impairment on the sign of impairment based on the self-assessment by the management.
- Obtained the appraisal report from the external expert delegated by the management.
- Assessed the reasonableness of the methods and data adopted by the management when measuring the recoverable amount of assets and delegated the internal expert to assess the valuation method and significant assumption used in the appraisal report.
- Assessed the reasonableness of the recognition of impairment loss.

#### **Other matters**

APCB INC. has prepared the 2023 and 2022 parent company only financial reports, and we have presented unqualified audit report for reference.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is also 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, including the supervisors and Audit Committee, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
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 ability of the Group to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the consolidated financial statements are required to be provided in our audit report to allow users of consolidated financial statements to be aware of such events or circumstances, 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 relevant notes, 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 individual entities of the Group, and express an opinion on consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the consolidated financial statements.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Group's 2023 consolidated financial statements 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.

KPMG

Chao, Min-Ju

CPA:

Lu, Li-Li

Securities Competent

Authority Approval number :

Jin-Guan-Cheng-Shen-Zi Letter No.

1050036075

Jin-Guan-Cheng-(6)-Zi Letter No. 0940100754

March 8, 2024

## APCB Inc.

## Consolidated Balance Sheets

December 31 of 2023 and 2022

Unit: NTD thousand

		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Asset	Liabilities and Equity				
<b>Current asset</b>	<b>Current liabilities:</b>				
11xx Cash and cash equivalents (Note 6 (1))	21xx Short-term borrowings (Note 6 (4), (5), (9), (10), (12), 7, 8, and 9)				
1100 Financial assets at fair value through profit or loss (FVTPL) - Current	2110 Short-term notes payable (Note 6 (13))	\$ 3,698,832	42	3,389,027	39
1110 (Note 6 (2))	2120 Financial liabilities at FVTPL - Current (Note 6 (2))	149,840	2	149,894	2
1150 Net notes receivable (Note 6 (5) and (20))	2150 Notes payable	95,964	1	89,813	1
1170 Net accounts receivable (Note 6 (5), (12) and 8)	2170 Accounts payable	500,320	6	554,549	7
1200 Other receivables (Note 6 (6))	2209 Other payables (Note 6 (21))	428,356	5	431,396	5
1220 Current tax assets	2213 Equipment payable	39,589	-	39,100	-
130x Inventories (Note 6 (7))	2230 Current tax liabilities	-	-	27,869	-
1479 Other current asset	2280 Lease liabilities - Non-current (Note 6 (15) and 7)	6,950	-	14,163	-
<b>Total current asset</b>	2322 Long-term borrowings mature within a year (Note 6 (9), (14), 8, and 9)	12,403	-	16,837	-
<b>Non-current assets:</b>	2365 Refund liabilities - Current	36,708	-	38,555	-
15xx Financial assets through other comprehensive income at FVTPL -	2399 Other current liabilities (Note 6 (20))	45,272	1	55,639	1
1520 Non-current (Note 6 (3))	<b>Total current liabilities</b>	5,014,234	57	4,806,842	55
1536 Financial assets measured at amortized cost - Non-current (Note 6 (4), (12) and 8)	<b>Non-current liabilities:</b>				
1600 Property, Plant and Equipment (Note 6 (9), (12), (14), 7, 8, and 9)	25xx Long-term borrowings (Note 6 (9), (14), 8, and 9)	74,418	1	99,463	1
1755 Right-of-use asset (Note 6 (10), (12), (15), 7, and 8)	2570 Deferred tax liabilities (Note 6 (17))	75,950	1	62,964	1
1780 Intangible asset (Note 6 (11))	2580 Lease liabilities - Non-current (Note 6 (15) and 7)	67,430	1	74,754	1
1840 Deferred tax assets (Note 6 (17))	2630 Long-term deferred income (Note 6 (9))	5,233	-	6,252	-
1990 Other non-current assets (Note 6 (9))	2640 Net defined benefit liabilities - Non-current (Note 6 (16))	36,785	-	34,324	-
<b>Total non-current asset</b>	2645 Guarantee deposit	61,780	1	56,542	1
	<b>Total non-current liabilities</b>	321,596	4	334,299	4
	<b>Total Liabilities</b>	5,335,830	61	5,141,141	59
	<b>Equity attributable to owners of the parent company (Note 6 (8), (16), (17) and (18)):</b>				
	31xx Common share capital	1,598,993	18	1,598,993	18
	3200 Capital surplus	418,929	5	418,929	5
	33xx Retained earnings:				
	3310 Legal reserve	618,503	7	614,511	7
	3320 Special reserve	43,967	-	215,722	2
	3350 Unappropriated retained earnings	952,771	10	812,450	9
	Subtotal of retained earnings	1,615,241	17	1,642,683	18
	Other equities:				
	34xx Exchange Differences on Translation of Foreign Financial				
	3410 Statements	(77,479)	(1)	(51,411)	-
	3420 Unrealized profit or loss of financial assets through other comprehensive income at FVTPL	7,444	-	7,444	-
	Total other equities:	(70,035)	(1)	(43,967)	-
	<b>Total equity</b>	3,563,128	39	3,616,638	41
<b>Total assets</b>	<b>Total liabilities and equities</b>	<b>\$ 8,898,958</b>	<b>100</b>	<b>8,757,779</b>	<b>100</b>

(Please refer to the notes of the consolidated financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

**APCB Inc.**  
**Statements of Consolidated Comprehensive Income**  
**From January 1 to December 31 of 2023 and 2022**

Unit: NTD thousand

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Note 6 (20)):</b>	\$ 5,950,962	100	6,954,943	100
5111	<b>Operating costs (Note 6 (7), (9), (10), (11), (15), (16), and 12)</b>	<u>5,370,160</u>	<u>90</u>	<u>6,444,508</u>	<u>93</u>
5950	<b>Gross profit</b>	<u>580,802</u>	<u>10</u>	<u>510,435</u>	<u>7</u>
6000	<b>Operating expenses (Note 6 (5), (9), (10), (11), (15), (16), (21), 7 and 12):</b>				
6100	Selling expenses	200,761	3	217,663	3
6200	Administrative expenses	456,611	8	438,547	6
6450	Losses on expected credit reversal	<u>(6,524)</u>	<u>-</u>	<u>(3,073)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>650,848</u>	<u>11</u>	<u>653,137</u>	<u>9</u>
6900	<b>Net operating profit (loss)</b>	<u>(70,046)</u>	<u>(1)</u>	<u>(142,702)</u>	<u>(2)</u>
7000	<b>Non-operating income and expense (Note 6 (2), (3), (8), (9), (10) (15), (22), 7):</b>				
7100	Interest income	114,601	2	22,159	-
7010	Other income	88,673	1	54,949	1
7020	Other gains or losses	67,466	1	178,828	3
7050	Financial costs	<u>(121,400)</u>	<u>(2)</u>	<u>(79,454)</u>	<u>(1)</u>
	<b>Total non-operating incomes and expenses</b>	<u>149,340</u>	<u>2</u>	<u>176,482</u>	<u>3</u>
7900	<b>Net income before tax</b>	<u>79,294</u>	<u>1</u>	<u>33,780</u>	<u>1</u>
7950	<b>Less: Tax expenses (gains) (Note 6 (17))</b>	<u>24,987</u>	<u>-</u>	<u>(1,094)</u>	<u>-</u>
8200	<b>Current period net profit</b>	<u>54,307</u>	<u>1</u>	<u>34,874</u>	<u>1</u>
8300	<b>Other comprehensive income (Note 6 (8), (16), (17), and (18)):</b>				
8310	<b>Items not reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit programs	(2,249)	-	6,303	-
8349	Less: Income taxes related to the items not re-classified	<u>(450)</u>	<u>-</u>	<u>1,261</u>	<u>-</u>
	<b>Total amount of items not reclassified subsequently to profit or loss</b>	<u>(1,799)</u>	<u>-</u>	<u>5,042</u>	<u>-</u>
8360	<b>Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss:</b>				
8361	Exchange Differences on Translation of Foreign Financial Statements	(32,575)	(1)	214,694	4
8399	Less: Income taxes related to the items that may be reclassified	<u>(6,507)</u>	<u>-</u>	<u>42,939</u>	<u>1</u>
	<b>Total Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss</b>	<u>(26,068)</u>	<u>(1)</u>	<u>171,755</u>	<u>3</u>
8300	<b>Comprehensive income in the current period</b>	<u>(27,867)</u>	<u>(1)</u>	<u>176,797</u>	<u>3</u>
8500	<b>Total comprehensive income in the current period</b>	<u><b>\$ 26,440</b></u>	<u><b>-</b></u>	<u><b>211,671</b></u>	<u><b>4</b></u>
	<b>Earnings per share (Unit: NTD) (Note 6 (19))</b>				
9750	Basic earnings per share	<u><b>\$ 0.34</b></u>		<u><b>0.22</b></u>	
9850	Diluted earnings per share	<u><b>\$ 0.34</b></u>		<u><b>0.22</b></u>	

(Please refer to the notes of the consolidated financial reports for details)

Chairperson: Tsao, Yueh-Hsia    Managerial Officer: Lai, Chin-Tsai    Accounting Officer: Tsai, Cheng-Hung

APCB Inc.

Statements of Changes in Consolidated Equity  
From January 1 to December 31 of 2023 and 2022

Unit: NTD thousand

		Equity attributed to the owner of the parent company					Other equities components			
		Retain earnings			Unappropriated retained earnings	Total	Exchange Differences on Translation of Foreign Financial Statements	Unrealized profit or loss of financial assets through other comprehensive income at FVTPL	Total	Total equity
		Common share capital	Capital surplus	Legal reserve	Special reserve					
	\$	1,598,993	418,929	590,470	168,847	1,011,344	1,770,661	7,444	(215,722)	3,572,861
Balance as January 1, 2022		-	-	24,041	-	(24,041)	-	-	-	-
Earnings appropriation and distribution:		-	-	-	46,875	(46,875)	-	-	-	-
Set aside legal reserve		-	-	-	-	(167,894)	(167,894)	-	-	(167,894)
Set aside special reserve		-	-	-	-	34,874	34,874	-	-	34,874
Cash dividends of common shares		-	-	-	-	-	-	-	-	-
Current period net profit		-	-	-	-	5,042	5,042	-	171,755	176,797
Comprehensive income in the current period		-	-	-	-	5,042	5,042	-	171,755	176,797
Total comprehensive income in the current period		-	-	-	-	39,916	39,916	-	171,755	211,671
Balance as of December 31, 2022		1,598,993	418,929	614,511	215,722	812,450	1,642,683	7,444	(43,967)	3,616,638
Earnings appropriation and distribution:		-	-	3,992	-	(3,992)	-	-	-	-
Set aside legal reserve		-	-	-	(171,755)	171,755	-	-	-	-
Reversal of special reserve		-	-	-	-	(79,950)	(79,950)	-	-	(79,950)
Cash dividends of common shares		-	-	-	-	54,307	54,307	-	-	54,307
Current period net profit		-	-	-	-	(1,799)	(1,799)	-	(26,068)	(27,867)
Comprehensive income in the current period		-	-	-	-	(1,799)	(1,799)	-	(26,068)	(27,867)
Total comprehensive income in the current period		-	-	-	-	52,508	52,508	-	(26,068)	26,440
Balance as of December 31, 2023	\$	1,598,993	418,929	618,503	43,967	952,771	1,615,241	7,444	(70,035)	3,563,128

(Please refer to the notes of the consolidated financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

**APCB Inc.**  
**Statements of Consolidated Cash Flows**  
**From January 1 to December 31 of 2023 and 2022**

**Unit: NTD thousand**

	2023	2022
<b>Cash flows from operating activities:</b>		
Current net profit before income tax	\$ 79,294	33,780
Adjustment item:		
Income/expenses items		
Depreciation expense	379,312	392,053
Amortization expenses	2,648	2,643
Losses on expected credit reversal	(6,524)	(3,073)
Gain or loss on financial assets and liabilities at FVTPL	(23,487)	(49,562)
Interest expenses	121,400	79,454
Interest income	(114,601)	(22,159)
Dividend income	(7,257)	(14,203)
Loss on disposal and scraps of property, plant and equipment	8,168	13,432
Loss on disposal of investments	-	42,436
Gains from modification of lease	(17)	(2)
Total income/expenses items	359,642	441,019
Asset/liability variation related to operating activities		
Net asset variation related to operating activities		
Financial assets designated as at FVTPL	(471,016)	149,972
Notes receivable	(2,346)	4,052
Accounts receivable	159,937	1,013,623
Other receivables	16,368	6,247
Inventories	112,436	564,812
Other current asset	(4,448)	6,263
Total net asset variation related to operating activities	(189,069)	1,744,969
Net liabilities variation related to operating activities		
Financial liabilities at FVTPL	(18,158)	(32,795)
Notes payable	6,151	(86,627)
Accounts payable	(54,229)	(184,813)
Other payables	(3,715)	(141,005)
Refunds liabilities	(1,847)	(12,333)
Other current liabilities	(10,367)	(24,249)
Net defined benefit liability	662	(3,269)
Total net liabilities variation related to operating activities	(81,503)	(485,091)
Total net assets and liabilities variation related to operating activities	(270,572)	1,259,878
Total adjustment item	89,070	1,700,897
Cash inflow provided by operating activities	168,364	1,734,677
Interest received	109,798	21,406
Interest paid	(120,725)	(77,692)
Tax paid	(60,542)	(10,829)
<b>Net cash inflow from operating activities</b>	<b>96,895</b>	<b>1,667,562</b>
<b>Cash flows from investment activities:</b>		
Acquisition of property, plant and equipment	(140,936)	(178,815)
Disposal of property, plant and equipment	7,841	6,777
Acquisition of Intangible Assets	(2,691)	(1,772)
Decrease in other non-current assets (Increase)	6,100	(33)
Dividends received	7,257	14,203
<b>Net cash outflow from investment activities</b>	<b>(122,429)</b>	<b>(159,640)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	16,918,362	15,593,503
Decrease in short-term borrowings	(16,608,557)	(15,679,782)
Increase in short-term notes payable	1,320,753	1,160,270
Decrease in short-term notes payable	(1,320,807)	(1,110,348)
Borrowed Long-term borrowings	23,776	118,862
Repayments of long-term borrowings	(53,255)	(123,900)
Increase in long-term deferred income	763	1,429
Decrease in guarantee deposit	5,238	(10,379)
Repaid principal of lease	(13,894)	(13,928)
Distribution of cash dividends	(79,950)	(167,894)
<b>Net cash outflow from financing activities</b>	<b>192,429</b>	<b>(232,167)</b>
<b>Effect of changes in exchange rate on cash and cash equivalents</b>	<b>(12,081)</b>	<b>129,804</b>
<b>Increase (decrease) in current cash and equivalents</b>	<b>154,814</b>	<b>1,405,559</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,698,350</b>	<b>2,292,791</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 3,853,164</b>	<b>3,698,350</b>

(Please refer to the notes of the consolidated financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

## **Independent Auditor's Report**

To APCB INC.

### **Audit opinions**

We have audited the accompanying parent company only financial statements of APCB INC. (the "Company"), which comprise the parent company only balance sheets as of from January 1 to December 31, 2023 and 2022, and the parent only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies as of from January 1 to December 31, 2023 and 2022.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as of from January 1 to December 31, 2023 and 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Company in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2022. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2022 are stated as follows:



## 1. Recognition of revenue

Please refer to Note 4 (13) in the parent company only financial statements for the accounting policy of the recognition of revenue; please refer to Note 6 (19) in the parent company only financial statements for the disclosure of revenue items.

Description of key audit matters:

Sales revenue is one of the key indicators for the investors and the management to assess the financial or business performance of the Company. In addition, the Company is a TWSE listed company, which receives high attention of the investors. Moreover, the recognition of revenue, the judgement on time the control of the product being transferred, and some of the sales transactions providing discounts, refunds, or rewards to customer as agreed in the contract are critical for the fair presentation of the financial statements. Therefore, we regard the correctness of recognition of revenue as one of the most significant audit matter in this year's audit.

### Responding audit procedure

We have executed the following responding audit procedure on the aforementioned key audit items:

- Conduct tests on the effectiveness of the design and implementation of internal control related to the recognition of revenues, including randomly selecting samples to verify the basic information, transaction terms, and payment receipts of customers.
- Conduct trend analysis on the top 10 customers in terms of sales, including comparing the customer list and the amount of sales revenue in the current period, last period, and the same period in the previous year, to analyze whether or not there is any significant abnormality. In case of any significant changes, we will verify them and analyze the causes.
- Randomly inspect the annual sales transactions to assess the truthfulness of sales transactions, the correctness of recognition amount of the sales revenue, and the reasonableness of the time being recognized.
- The reasonableness of the estimates of discounts, refunds, or rewards is verified based on the calculation document approved by the management and random inspection on the clauses in the sales contracts.
- Test the samples of sales transactions prior to and after the end of the fiscal year to assess whether or not the timing of recognizing the revenue is appropriate.

## 2. Impairment assessment on investments accounted for using the equity method

Please refer to Note 4 (12) in the parent company only financial statements for the accounting policy of impairment of non-financial assets; please refer to Note 5 in the parent company only financial statement for the accounting estimates and uncertainty of assumption for the impairment assessment on investments accounted for using the equity method; please refer to Note 6 (7) investments accounted for using the equity

method for the description on the impairment on the investments accounted for using the equity method.

Description of key audit matters:

APCB Electronics (Thailand) Co., Ltd., a subsidiary of APCB INC. has suffered long-term operating losses. We found the impairment of the investment exists. This investment accounted for using the equity method is a significant investment of the Company and the carrying amount is high. Therefore, we regard the impairment assessment on investments accounted for using the equity method as one of the most significant audit matter in this year's audit.

Responding audit procedure

We have executed the following responding audit procedure on the aforementioned key audit items:

- We communicated with the audit personnel of the Company, including providing audit instruction mail and obtaining the audited Group reporting information.
- We discussed with the audit personnel regarding the audit plan and the audit procedure and matters that require special attention in the middle and the end of the period via emails and virtual meetings.
- Reviewed the audit procedure of asset impairment assessment conducted by the audit personnel of the Company on APCB Electronics (Thailand) Co., Ltd., including obtaining the description on the sign of impairment based on the self-assessment by the management, obtaining the appraisal report from the external expert delegated by the management, assessing the objectivity and professionalism of the external expert, assessing the reasonableness of the methods and data adopted by the management when measuring the recoverable amount of assets, delegating the internal expert to assess the valuation method and significant assumption used in the appraisal report, and assessing the reasonableness of the recognition of impairment loss.

### **Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Including the supervisors and Audit Committee, are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the unconsolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the unconsolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
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 ability of the Company to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the unconsolidated financial statements are required to be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances, 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 APCB INC. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including relevant notes, and whether the unconsolidated 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 entity of the Company, and express an opinion on unconsolidated financial statements.

We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion for the parent company only financial statements.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Company's 2023 unconsolidated financial statements 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.

KPMG

Chao, Min-Ju

CPA:

Lu, Li-Li

Securities Competent

Authority Approval number :

Jin-Guan-Cheng-Shen-Zi Letter No. 1050036075

Jin-Guan-Cheng-(6)-Zi Letter No. 0940100754

March 24, 2023

## APCB INC.

## Balance Sheet

December 31 of 2023 and 2022

Unit: NTD thousand

		2023.12.31		2022.12.31		2023.12.31		2022.12.31	
		Amount	%	Amount	%	Amount	%	Amount	%
<b>Asset</b>									
<b>Current asset</b>									
1100	Cash and cash equivalents (Note 6 (1))					\$	1,855,000	30	2,025,000
1110	Financial assets at fair value through profit or loss (FVTPL) - Current (Note 6 (2))	1,723,400	28	1,939,404	30	149,840	2	149,894	2
1150	Net notes receivable (Note 6 (4) and (19))	132,090	2	43,892	1	92,740	2	87,277	2
1170	Net accounts receivable (Note 6 (4), (11), (19) and 8)	1,351	-	2,662	-	26,498	-	20,689	-
1180	Net accounts receivable - Related party (Note 6 (4), (19), and 7)	382,634	6	408,365	6	166,195	3	119,076	2
1200	Other receivables (Note 6 (5))	628	-	12,836	-	88,370	2	84,334	2
1212	Other receivables - Related party (Note 6 (5) and 7)	19,459	-	37,147	1	-	-	27,869	-
1220	Current tax assets	45,130	1	107,110	2	6,950	-	7,591	-
130x	Inventories (Note 6 (6))	44,321	1	8,914	-	-	-	4,415	-
1479	Other current asset	119,138	2	124,409	2	9,430	-	15,487	-
	<b>Total current asset</b>	<b>12,010</b>	<b>-</b>	<b>8,931</b>	<b>-</b>	<b>16,851</b>	<b>-</b>	<b>33,444</b>	<b>1</b>
	<b>Non-current assets:</b>	<b>2,480,161</b>	<b>40</b>	<b>2,693,670</b>	<b>42</b>	<b>2,411,874</b>	<b>39</b>	<b>2,575,076</b>	<b>41</b>
1520	Financial assets through other comprehensive income at FVTPL - Non-current (Note 6 (3))	24,795	-	24,795	-	-	-	12,508	-
1550	Investment accounted for using the equity method (Note 6 (7))	3,194,118	52	3,148,273	50	35,988	1	23,088	-
1600	Property, Plant and Equipment (Note 6 (8), (11), (13), 7, 8, and 9)	282,286	5	322,210	5	67,431	1	74,380	2
1755	Right-of-use asset (Note 6 (9), (11), (14), 7, and 8)	71,813	2	79,717	2	13,717	-	14,367	-
1780	Intangible asset (Note 6 (10))	1,150	-	343	-	117,136	2	124,323	2
1840	Deferred tax assets (Note 6 (16))	34,765	1	44,792	1	2,529,010	41	2,699,399	43
1990	Other non-current assets (Note 6 (8))	3,050	-	2,237	-	1,598,993	26	1,598,993	25
	<b>Total non-current asset</b>	<b>3,611,977</b>	<b>60</b>	<b>3,622,367</b>	<b>58</b>	<b>418,929</b>	<b>7</b>	<b>418,929</b>	<b>7</b>
	<b>Liabilities and Equity</b>								
	<b>Current liabilities:</b>								
	Short-term borrowings (Note 6 (4), (8), (9), (11), 7, 8, and 9)	2100							
	Short-term notes payable (Note 6 (12))	2110							
	Notes payable	2150							
	Accounts payable	2170							
	Accounts payable - Related party (Note 7)	2180							
	Other payables (Note 6 (20))	2200							
	Current tax liabilities	2230							
	Lease liabilities - Current (Note 4 (14) and 7)	2280							
	Long-term borrowings mature within a year (Note 6 (8), (13), 7, 8, and 9)	2322							
	Refund liabilities - Current	2365							
	Other current liabilities	2399							
	<b>Total current liabilities</b>								
	<b>Non-current liabilities:</b>								
	Long-term borrowings (Note 6 (8), (13), 7, 8, and 9)	2540							
	Deferred tax liabilities (Note 6 (16))	2570							
	Lease liabilities - Non-current (Note 6 (14) and 7)	2580							
	Net defined benefit liabilities - Non-current (Note 6 (15))	2640							
	<b>Total non-current liabilities</b>								
	<b>Total Liabilities</b>								
	<b>Equity (Note 6 (15), (16), and (17)):</b>								
	Share capital	3100							
	Capital surplus	3200							
	Retained earnings:	33xx							
	Legal reserve	3310							
	Special reserve	3320							
	Unappropriated retained earnings	3350							
	Subtotal of retained earnings								
	Other equities:	34xx							
	Exchange Differences on Translation of Foreign Financial Statements	3410							
	Unrealized profit or loss of financial assets through other comprehensive income at FVTPL	3420							
	Total other equities:								
	<b>Total equity</b>	3xxx							
	<b>Total liabilities and equities</b>	2-3xxx							
1xxx	<b>Total assets</b>	<b>\$ 6,092,138</b>	<b>100</b>	<b>6,316,037</b>	<b>100</b>	<b>\$ 6,092,138</b>	<b>100</b>	<b>6,316,037</b>	<b>100</b>

(Please refer to the notes of the parent company only financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

**APCB INC.**  
**Statements of Comprehensive Income**  
**From January 1 to December 31 of 2023 and 2022**

Unit: NTD thousand

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000 <b>Operating revenue (Note 6 (19) 7):</b>				
4111 Sales revenue	\$ 1,309,626	102	1,470,424	102
4170 Less: Sales return	541	-	5,293	-
4190 Sales discount	28,400	2	30,222	2
4100 <b>Net operating revenue</b>	1,280,685	100	1,434,909	100
5000 <b>Operating costs (Note 6 (6), (8), (9), (10), (14), (15), 7 and 12)</b>	1,315,969	103	1,542,737	108
5950 <b>Gross loss</b>	(35,284)	(3)	(107,828)	(8)
6000 <b>Operating expenses (Note 6 (4), (8), (9), (10), (14), (15), (20), 7 and 12):</b>				
6100 Selling expenses	18,860	2	23,424	2
6200 Administrative expenses	94,135	7	82,954	6
6450 Losses on Expected Credit Impairment (gains from reversal)	(328)	-	(3,560)	-
<b>Total operating expenses</b>	112,667	9	102,818	8
6900 <b>Net operating loss</b>	(147,951)	(12)	(210,646)	(16)
7000 <b>Non-operating income and expense (Note 6 (2), (3), (8), (14), (21), 7):</b>				
7100 Interest income	47,153	3	7,705	1
7010 Other income	102,145	8	100,059	7
7020 Other gains or losses	46,394	4	208,063	15
7050 Financial costs	(43,788)	(3)	(31,169)	(2)
7370 Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	80,954	6	(29,584)	(2)
<b>Total non-operating incomes and expenses</b>	232,858	18	255,074	19
7900 <b>Net income before tax</b>	84,907	6	44,428	3
7950 <b>Less: Tax expenses (Note 6 (16))</b>	30,600	2	9,554	1
8200 <b>Current period net profit</b>	54,307	4	34,874	2
8300 <b>Other comprehensive income (Note 6 (15), (16), and (17)):</b>				
8310 <b>Items not reclassified subsequently to profit or loss</b>				
8311 Remeasurement of defined benefit programs	285	-	6,095	-
8331 Remeasurement of defined benefit programs subsidiaries, associates, and joint venture	(2,534)	-	208	-
8349 Less: Income taxes related to the items not re-classified	(450)	-	1,261	-
<b>Total amount of items not reclassified subsequently to profit or loss</b>	(1,799)	-	5,042	-
8360 <b>Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss:</b>				
8361 Exchange Differences on Translation of Foreign Financial Statements	(32,536)	(3)	185,635	13
8380 Share of other comprehensive income of subsidiaries, associated companies, and joint venture accounted for using equity method	(39)	-	23,247	2
8399 Less: Income taxes related to the items that may be reclassified	(6,507)	(1)	37,127	3
<b>Total Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss</b>	(26,068)	(2)	171,755	12
8300 <b>Comprehensive income in the current period</b>	(27,867)	(2)	176,797	12
8500 <b>Total comprehensive income in the current period</b>	<b>\$ 26,440</b>	<b>2</b>	<b>211,671</b>	<b>14</b>
<b>Earnings per share of the Company (Unit: NTD) (Note 6 (18))</b>				
9750 Basic earnings per share	<b>\$ 0.34</b>		<b>0.22</b>	
9850 Diluted earnings per share	<b>\$ 0.34</b>		<b>0.22</b>	

(Please refer to the notes of the parent company only financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

APCB INC.

Statements of Changes in Equity

From January 1 to December 31 of 2023 and 2022

Unit: NTD thousand

	Retain earnings					Other equities components:			
						Exchange Differences on Translation of Foreign Financial Statements	Unrealized profit or loss of financial assets through other comprehensive income at FVTPL	Total	Total equity
Common share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total				
\$ 1,598,993	418,929	590,470	168,847	1,011,344	1,770,661	(223,166)	7,444	(215,722)	3,572,861
-	-	24,041	-	(24,041)	-	-	-	-	-
-	-	-	46,875	(46,875)	-	-	-	-	-
-	-	-	-	(167,894)	(167,894)	-	-	-	(167,894)
-	-	-	-	34,874	34,874	-	-	-	34,874
-	-	-	-	5,042	5,042	171,755	-	171,755	176,797
-	-	-	-	39,916	39,916	171,755	-	171,755	211,671
1,598,993	418,929	614,511	215,722	812,450	1,642,683	(51,411)	7,444	(43,967)	3,616,638
-	-	3,992	-	(3,992)	-	-	-	-	-
-	-	-	(171,755)	171,755	-	-	-	-	-
-	-	-	-	(79,950)	(79,950)	-	-	-	(79,950)
-	-	-	-	54,307	54,307	-	-	-	54,307
-	-	-	-	(1,799)	(1,799)	(26,068)	-	(26,068)	(27,867)
-	-	-	-	52,508	52,508	(26,068)	-	(26,068)	26,440
\$ 1,598,993	418,929	618,503	43,967	952,771	1,615,241	(77,479)	7,444	(70,035)	3,563,128

Balance as January 1, 2022

Earnings appropriation and distribution:

Set aside legal reserve

Set aside special reserve

Cash dividends of common shares

Current period net profit

Comprehensive income in the current period

Total comprehensive income in the current period

Balance as of December 31, 2022

Earnings appropriation and distribution:

Set aside legal reserve

Set aside special reserve

Cash dividends of common shares

Current period net profit

Comprehensive income in the current period

Total comprehensive income in the current period

Balance as of December 31, 2023

(Please refer to the notes of the parent company only financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung

**APCB INC.**  
**Statements of Cash Flows**  
**From January 1 to December 31 of 2023 and 2022**

Unit: NTD thousand

	2023	2022
<b>Cash flows from operating activities:</b>		
Current net profit before income tax	\$ 84,907	44,428
Adjustment item:		
Income/expenses items		
Depreciation expense	50,962	58,515
Amortization expenses	393	1,093
Losses on expected credit reversal	(328)	(3,560)
Gain or loss on financial assets and liabilities at FVTPL	(24,457)	(47,044)
Interest expenses	43,788	31,169
Interest income	(47,153)	(7,705)
Dividend income	(7,257)	(14,203)
Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	(80,954)	29,584
Gains on disposal of property, plant and equipment	(759)	(467)
Gains from modification of lease	(8)	-
Total income/expenses items	<u>(65,773)</u>	<u>47,382</u>
Asset/liability variation related to operating activities		
Net asset variation related to operating activities		
Financial assets designated as at FVTPL	(52,093)	142,066
Notes receivable	1,311	1,509
Accounts receivable	26,059	521,405
Accounts receivable - Related party	12,208	(7,903)
Other receivables	20,310	(12,004)
Other receivables - Related party	61,980	9,260
Inventories	5,271	203,844
Other current asset	(3,079)	428
Total net asset variation related to operating activities	<u>71,967</u>	<u>858,605</u>
Net liabilities variation related to operating activities		
Financial liabilities at FVTPL	(11,648)	(32,794)
Notes payable	5,463	(88,787)
Accounts payable	5,809	(21,369)
Accounts payable - Related party	47,119	(17,728)
Other payables	6,458	(44,202)
Refunds liabilities	(6,057)	(7,760)
Other current liabilities	(16,593)	(5,125)
Net defined benefit liability	(365)	(6,062)
Total net liabilities variation related to operating activities	<u>30,186</u>	<u>(223,827)</u>
Total net assets and liabilities variation related to operating activities	<u>102,153</u>	<u>634,778</u>
Total adjustment item	<u>36,380</u>	<u>682,160</u>
Cash inflow provided by operating activities	121,287	726,588
Interest received	44,531	7,638
Interest paid	(43,654)	(30,305)
Tax paid	(63,972)	(20,719)
<b>Net cash inflow provided by operating activities</b>	<u>58,192</u>	<u>683,202</u>
<b>Cash flows from investment activities:</b>		
Acquisition of property, plant and equipment	(12,798)	(33,534)
Disposal of property, plant and equipment	7,672	467
Acquisition of Intangible Assets	(1,200)	-
Decrease (increase) of other non-current assets	(813)	(675)
Dividends received	7,257	413,092
<b>Net cash inflow from investment activities:</b>	<u>118</u>	<u>379,350</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	12,760,000	10,863,101
Decrease in short-term borrowings	(12,930,000)	(10,706,101)
Increase in short-term notes payable	1,320,753	1,160,270
Decrease in short-term notes payable	(1,320,807)	(1,110,348)
Repayments of long-term borrowings	(16,923)	(104,415)
Repaid principal of lease	(7,387)	(7,481)
Distribution of cash dividends	(79,950)	(167,894)
<b>Net cash outflow from financing activities</b>	<u>(274,314)</u>	<u>(72,868)</u>
<b>Increase (decrease) in current cash and equivalents</b>	<u>(216,004)</u>	<u>989,684</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>1,939,404</u>	<u>949,720</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 1,723,400</u>	<u>1,939,404</u>

(Please refer to the notes of the parent company only financial reports for details)

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Chin-Tsai

Accounting Officer: Tsai, Cheng-Hung



## **Appendix II**

### **APCB INC.**

#### **Rules of Procedure for Shareholders' Meetings**

- Article I. The shareholders' meeting of the Company shall proceed in accordance with these Rules. Matters not specified in these Rules shall be undertaken in accordance with applicable laws and the Company's articles of incorporation.
- Article II. Attending shareholders (or proxies) shall bring their attendance cards and hand in a sign-in card in lieu of signing in.  
The number of shares present is calculated based on the number of shares reported on the attendance card and the virtual meeting platform, plus the number of shares exercising the voting rights by correspondence or electronic means  
In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
- Article III. The presence of shareholders in a shareholders' meeting and their voting thereof shall be calculated in accordance with the number of shares.
- Article IV. The place where the shareholders' meeting is held shall be in the county or city where the Company is located. The time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock in the afternoon.  
When the Company holds a virtual shareholders' meeting, the venue of the meeting shall not be restricted as described in the proceeding paragraph.  
The time for accepting shareholders' registration shall be 30 minutes prior to the commencement of the meeting.  
In the event of a virtual shareholders' meeting, registration shall be accepted at the virtual meeting platform at least 30 minutes prior to the commencement of the meeting. Shareholders who have completed the registration shall be deemed to be present in person at the meeting.
- Article V. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders' meeting.  
Those handling the business of a shareholders' meeting shall wear an

identification card or a badge.

Article VI. 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 of the preceding paragraph shall be retained for at least one 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.

When the Company convene a virtual shareholders' meeting, the Company shall retain the relevant information of the shareholders and continuously record and videotape the entire virtual meeting without interruption from beginning to end.

The information and audio and video recording under the preceding paragraph shall be properly kept by the company during the entirety of the Company's existence, and copies of the audio and video recording shall be provided to and kept by the entity engaged to handle video conferencing matters.

Article VII. When it is time to convene a shareholders' meeting, the chairperson shall immediately convene the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairperson may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent one-third of the total amount of issued shares, a tentative resolution may be adopted in accordance with Article 175 of the Company Act.

Before the close of the said meeting if the shareholders present represent a majority of the total amount of issued shares, the chairperson may present the tentative resolution so adopted to the meeting for resolution.

Article VIII. If a shareholders' meeting is called by the board of directors, the proceedings of the meeting shall be formulated by the board of directors, and the meeting shall proceed in accordance with the said proceedings. The proceedings shall not be changed without a resolution made by the shareholders' meeting.

If a shareholders' meeting shall be called by any other person than the board of directors, the preceding provisions shall apply mutatis mutandis to the said meeting.

The chairperson shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two Paragraphs shall not have been resolved.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.

After close of the said meeting, shareholders shall not elect another chairperson to hold another meeting at the same place or at any other place, and the resolutions made by them are ipso facto ineffective.

Article IX. A shareholder wishing to speak in a shareholders' meeting shall first fill out a slip, specifying therein the major points of his speech, his/her serial number as a shareholder (or number of attendance) and his/her name, and the chairperson shall determine his/her order of giving a speech.

A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his/her speech shall be different from those specified on the slip, the contents of his/her speech shall prevail.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairperson and the said shareholder, and the chairperson may prevent others from interrupting.

Article X. A shareholder shall not speak more than two times for one motion, unless he/she has obtained the prior consent from the chairperson, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the chairperson may prevent him from doing so.

Article XI. 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.

Article XII. After a shareholder has given a speech, the chairperson may personally or designate relevant person to respond.

- Article XIII. When the chairperson considers that the discussion for a motion has reached the extent for making a resolution, he/she may announce discontinuance of the discussion and submit the motion for resolution.
- Article XIV. Voting rights may be exercised in writing or electronically at the shareholders' meeting of the Corporation. 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.
- 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 two 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 or online, a 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, before two 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, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.
- 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 of the Company Act.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article XV. When there is an amendment or an alternative to a proposal, the chairperson 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.

Article XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.  
Vote counting for proposals or elections shall be conducted in public at the place of the shareholders' meeting, and voting results, including the tally of weighted votes, shall be reported on-site immediately and recorded in writing upon completion of the vote counting.  
In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

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

Article XVIII. The chairperson 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."  
When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security

personnel to escort the shareholder from the meeting.

Article XIX. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.

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

Article XX. 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.

Article XXI. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## **Appendix III**

### **APCB INC.**

#### **Articles of Incorporation**

##### **Chapter 1 General Provisions**

- Article I. The Company shall be incorporated under the Company Act, and its name shall be APCB Inc.
- Article II. The scope of business of the Company shall be as follows:
- (I) CC01080 Electronics Components Manufacturing
  - (II) F119010 Wholesale of Electronic Materials
  - (III) F219010 Retail Sale of Electronic Materials
  - (IV) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
- Article II-I. The Company may provide endorsement and guarantee and act as a guarantor for business purpose in accordance with the rules and regulations of securities competent authorities.
- Article II-II. The total amount of the Company's equity investment shall not be subject to the restriction of not more than forty percent of the Company's paid-in capital.
- Article III. The Company headquarters in New Taipei City. With the resolution made by the board of directors, the Company may establish branches within and without of the territory of the Republic of China.
- Article IV. (Deleted)

##### **Chapter 2 Shares**

- Article V. The total authorized capital of the Company is NT\$2.5 billion, divided into 250 million shares, with a par value at NT\$10 each. The board of directors is authorized to issue such shares in installments based on the business requirement.
- A total of NT\$100 million, representing 10 million shares, shall be reserved from the total capital stated in the preceding paragraph for the issuance of employee stock options, and the board of directors is authorized to issue the stock options in installments.
- Article VI. With an approval made by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares, the Company may issue employee stock options at a price lower than the closing price of the Company's shares on the date of

issuance or transfer them to employees at a price lower than the average price of the shares actually bought back.

Article VII. The share certificates of the Company shall be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance pursuant to laws. When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time, and shall arrange for the certificate to be kept or registered by a centralized securities custodian institution; the same applies to other marketable securities.

Article VIII. Registration for transfer of shares shall be suspended for 60 days before the day of a regular shareholders' meeting, for 30 days before the day of any special shareholders' meeting, and for 5 days before the day on which dividends or any other benefit is scheduled to be paid by the Company.

### Chapter 3 Shareholders' Meeting

Article IX. Shareholders' meetings of the Company are of two kinds: regular shareholders' meetings and special shareholders' meetings. The regular shareholders' meeting is called once per year within 6 months of the end of each fiscal year. Special shareholders' meetings may be called in accordance with laws whenever necessary.

Article X. Where a shareholder is unable to attend a meeting, he/she may appoint a proxy to represent him/her and specify the scope authorization in the proxy form issued by the Company. The use of proxy forms shall be subject to the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by securities competent authorities.

Article XI. Each shareholder of the Company shall receive one voting right for each share. However, restricted a director or a director who has a situation provided under Article 179 of the Company Act shall not have the voting right.

Article XII. Except as otherwise provided by the Company Act, a meeting shall only be held when shareholders representing a majority of the total number of issued shares have attended. A resolution shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting



Article XII-I. The Company's shareholders' meetings shall be conducted in accordance with the "Rules of Procedure for Shareholders' Meetings."

Article XII-II. The shareholders' meeting can be held in the form of virtual conference or other audiovisual means, as announced by the Ministry of Economic Affairs.

#### Chapter 4 Directors

Article XIII. The Company shall have seven to nine directors. The board of directors is authorized to determine the number of directors. The term of office of directors is 3 years, and the directors shall be elected from persons having legal capacity at a shareholders' meeting and shall be eligible for re-elections. The total number of shares of the Company's registered stock held by all directors of the Company shall be in compliance with the the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" issued by the competent securities authorities.

The Company shall adopt the candidate nomination system for its election of directors in accordance with Article 192-1 of the Company Act.

In accordance with the Securities and Exchange Act, the number of independent directors of the Company shall not be less than three and shall not be less than one-fifth of the number of directors. Independent directors are subject to regulations of the competent securities authorities.

Article XIII-I. In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish an audit committee. The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other applicable regulations.

Article XIV. The board of directors shall consist of the directors of the Company; the chairperson of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairperson of the board of directors shall represent the Company in external matters.

A notice setting forth the purpose of the meeting shall be given to each director no later than 7 days prior to a board meeting. Nonetheless, a board meeting may be convened at any time in case of emergency. A meeting of the board of directors shall be called in writing, via e-mail or

facsimile.

Article XV. If chairperson of the board of directors is on leave of absence or is unable to exercise his/her duties for any reason, his/her proxy is subject to the provisions of Article 208 of the Company Act. If a director is on leave of absence or is unable to attend a board meeting for any reason, he/she may appoint another director as proxy to attend the meeting in accordance with Article 205 of the Company Act.

Article XVI. The remuneration to all directors shall be assessed by the remuneration committee, and the board of directors is authorized to decide the remuneration to all directors at a rate consistent with general practices in the industry.

Article XVI-I. The Company may take out liability insurance for the directors with respect to the liabilities that might arise from the performance of duties during their term of office.

#### Chapter 5 Manager

Article XVII. The Company may appoint one general manager and several deputy general managers whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

#### Chapter 6 Accounting

Article XVIII. After the close of each fiscal year, the following reports shall be prepared by the board of directors. The reports shall be submitted to the audit committee for review 30 days prior to the regular shareholders' meeting and thereafter submitted to the regular shareholders' meeting for recognition.

(I) Business Report.

(II) Financial Statements.

(III) Proposal Concerning the Distribution of Earnings or offset of Losses.

Article XIX. If the Company makes a profit in a year, it shall set aside not less than 5% for remuneration to employees and not more than 3% for remuneration to directors. However, if the Company has accumulated losses, the Company shall first reserve an amount to offset the losses.

Article XX. If there is profit in the Company's annual financial statements, the Company shall first pay taxes and offset accumulated losses, and then set aside 10% as legal reserve and set aside special reserve in accordance with the law. If there remains surplus, the board of directors shall, after

adding the undistributed earnings from previous years, prepare a proposal for distribution and submit it to the shareholders for resolution.

To meet the Company's future needs for equipment replacement and expansion, cash dividends shall be distributed at a rate of not less than 10% of the total dividends, and the rest shall be distributed in the form of stock dividends.

#### Chapter 7 Supplementary Provisions

Article XXI Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article XXII These Articles of Incorporation were established on November 21, 1981.

The 1st amendment was made on February 27, 1983.

The 2nd amendment was made on September 15, 1985.

The 3rd amendment was made on August 10, 1988.

The 4th amendment was made on August 8, 1997.

The 5th amendment was made on December 12, 1998.

The 6th amendment was made on May 30, 1999.

The 7th amendment was made on June 18, 2000.

The 8th amendment was made on June 3, 2001.

The 9th amendment was made on June 27, 2002.

The 10th amendment was made on June 24, 2003.

The 11th amendment was made on June 24, 2004.

The 12th amendment was made on December 31, 2004.

The 13th amendment was made on June 14, 2005.

The 14th amendment was made on June 14, 2006.

The 15th amendment was made on June 13, 2007.

The 16th amendment was made on June 13, 2008.

The 17th amendment was made on June 15, 2010.

The 18th amendment was made on June 22, 2012.

The 19th amendment was made on June 21, 2016.

The 20th amendment was made on June 15, 2017.

The 21st amendment was made on June 23, 2022.

## Appendix IV

### APCB INC.

#### Shareholdings of All Directors

Title	Name	Shareholding Recorded in the Shareholder List as of the Book Closure Date	Shareholding Ratio
Chairman	Tsao, Yueh-Hsia	9,924,708	6.21%
Director	Lai, Chin-Tsai	10,299,803	6.44%
Director	Tai, Shui-Chuan	420,231	0.26%
Director	Lin, Chun-Hao	488,926	0.31%
Independent director	Tsai, Li-Yun	0	—
Independent director	Chang, Hui	0	—
Independent director	Hung, Ju-Mei	0	—
Independent director	Lin, Pao-Chu	0	—
Total shares held by directors		21,133,668	13.22%

- Note: I. There are currently four independent directors on the board of directors of the Company. Hence, according to “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the shareholdings of independent directors elected by a public company shall not be counted in the total; the statutory share ownership figures calculated for all directors other than the independent directors shall be decreased by 20 percent.
- II. As of the book closure date for the shareholders’ meeting, April 21, 2024, the Company has issued 159,899,311 shares. According to “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the statutory minimum number of shares required to be held by all directors is 9,593,958 shares.

## Appendix V

### Impact of Issuance of Stock Dividends on Business Performance, Earnings per Shares, and Return of Equity

Items		Year	2024 (Pro-forma)
Beginning paid-in capital			\$1,598,993,110
Stock dividend and cash dividend issued this year	Cash dividend per share		\$0.5
	Stock dividend per share for capital increase from retained earnings		—
	Stock dividend per share for capital increase from capital reserve		—
Change in business performance	Operating profit		—
	Year-on-year increase/decrease ratio of operating profit		—
	Net profit after tax		—
	Year-on-year increase/decrease (%) of net profit after tax		—
	Earnings per share		—
	Year-on-year increase/decrease of earnings per share		—
Pro forma earnings per share and its P/E ratio	Average annual ROE ratio (reciprocal of average annual P/E ratio)		—
	In case that cash dividends would be paid in lieu of stock dividend by a Capitalization of retained earnings	Pro forma earnings per share	—
		Pro forma average return over investment (annualized)	—
	In case that there would be no stock dividend appropriated from a capitalization of capital reserve	Pro forma earnings per share	—
		Pro forma average return over investment (annualized)	—
	In case that there would be no stock dividend appropriated from a capitalization of capital reserve, and cash dividends would be paid in lieu of stock dividends by a capitalization of retained earnings	Pro forma earnings per share	—
		Pro forma average return over investment (annualized)	—

Note 1: The dividend distribution for the year is calculated on the basis of 159,899,311 outstanding shares of the Company as of March 2024.

2: The Company did not make financial forecast for 2024 publicly; therefore, there is no need to disclose the information of the 2024 forecast.