

APCB INC.

2025 Annual Shareholders' Meeting

Meeting Handbook

Type of Meeting: Physical Meeting

Meeting Time: June 20, 2025

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

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APCB INC.

2025 Annual Shareholders' Meeting Procedure

- I. Calling Meeting to Order
- II. Chairperson's Address
- III. Report Items
- IV. Proposals
- V. Discussion (I)
- VI. Election Matters
- VII. Discussion (II)
- VIII. Extraordinary Motions
- IX. Adjournment

APCB INC.

2025 Annual Shareholders' Meeting Agenda

- I. Time: 9:00 a.m. on Wednesday, June 20, 2025
- 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) 2024 Business Report
 - (II) 2024 Audit Committee Report
 - (III) Report on Endorsements/Guarantees Status in 2024
 - (IV) Report on Loaning of Funds in 2024
 - (V) Report on Investment status in Mainland China in 2024
 - (VI) Report on Distribution of Remuneration to Employees, Directors and Supervisors of 2024
 - (VII) Report on the Implementation of the Share Repurchases by the Company
- VII. Proposals
 - (I) The Company's 2024 financial statements and business report are proposed for acceptance.
 - (II) The Company's 2024 earnings allocation is proposed for acceptance.
- VIII. Discussion (I)
 - (I) Amendment to the certain provisions of the "Articles of Incorporation."
- IX. Election Matters
 - (I) Election of the 13th Board of Directors (including independent directors)
- X. Discussion (II)
 - (II) The motion to release newly elected directors and their representatives from the prohibition of competition is proposed for resolution.
- XI. Extraordinary motions.
- XII. Adjournment

Report Items

I. 2024 Business Report

Explanation: Please refer to page 5-7 of this meeting handbook.

II. 2024 Audit Report of Audit Committee

Explanation: Please refer to the “Audit committee report” on page 8 of this meeting handbook.

III. Report on Endorsements/Guarantees Status in 2024

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

IV. Report on Loaning of Funds in 2024

Explanation: Please refer to page 10 of this meeting handbook.

V. Report on Investment status in Mainland China in 2024

Explanation: Please refer to page 11 of this meeting handbook.

VI. Report on Distribution of Remuneration to Employees, Directors and Supervisors of 2024

- Explanation:
- I. The distribution is pursuant to the provisions of Article 19 of the Company’s Articles of Incorporation.
 - II. For 2024, the Company appropriated NT\$14,741,995 for remuneration to employees and NT\$6,000,000 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.

VII. Report on the Implementation of the Share Repurchases by the Company

Item	Description
Date of Board of Directors' resolution	December 13, 2024
Purpose of repurchase	To protect the Company's credit and shareholders' interests
Method of share repurchase	Buyback shares through a securities firm from the Taiwan Stock Exchange
Scheduled repurchase period	From December 16, 2024 to February 15, 2025
Number of shares intended to be repurchased	8,000,000
Repurchase price range	Within the range of NT\$11.87 to NT\$24.84; however, if the share price falls below the lower limit of the aforementioned repurchase price range, the share repurchase will continue to be executed.
Actual repurchase period	From January 2, 2025 to February 14, 2025
Number of shares repurchased	2,905,000
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	1.82%
Amount of shares bought back	NTD 47,445,603
Average repurchase price per share	NTD 16.33
Reasons for failure to complete the repurchase	In order to protect shareholders' interests while taking market mechanisms into consideration, the Company adopted a phased repurchase strategy based on share price movements and trading volume conditions; therefore, the repurchase was not fully executed.

2024 Business Report

In 2024, inflation in the United States gradually came under control. With strong support from the U.S., Ukraine appeared to gain a potential advantage in the ongoing war with Russia. Overall, the global economy seemed to be moving toward a more positive outlook. However, China's economic recovery remained constrained by the aftermath of the real estate collapse, leading to generally cautious and conservative consumer spending. In addition, the U.S.-led efforts to decouple information and communication technology supply chains from China further dampened the mainland consumer market, which remained sluggish. As a result, aside from emerging products such as AI servers, high-end network switches and low Earth orbit satellites, the overall electronics market showed little improvement compared to the previous year. The newly launched AI-powered computers and smartphones have yet to stimulate significant consumer demand for device upgrades.

Due to the prolonged losses of its subsidiary, APCB Electronics, and in order to protect shareholders' equity, resolved at the board meeting held on August 9, 2024, to sell its entire 100% equity interest in the subsidiary to Victory Giant Technology (Huizhou) Co., Ltd. Following three consecutive years of losses after the COVID-19 pandemic, APCB Inc., Taiwan plant continued to face operational challenges. Approximately 35% of its products were gold-plated and with gold prices rising by 30% for two consecutive years, combined with ongoing weakness in the ICT-related consumer electronics sector, the short-term outlook remained bleak. In order to reduce further losses, the Company resolved at the board meeting held on October 8, 2024, to cease production line operations at the Taiwan plant by the end of December 2024. The related business and production activities will be transferred to the Company's mainland subsidiary, APCB Electronics (Kunshan), for continued operation.

Following the completion of the aforementioned restructuring, the Company's standalone operating revenue for 2024 amounted to NT\$1,224,965 thousand, with an operating gross loss of NT\$203,272 thousand. Compared to 2023, operating revenue decreased by 4.35%, while the operating gross loss increased by 476%. The decline in operating revenue was primarily due to the continued weakness in demand for consumer electronics. The significant increase in operating gross loss was mainly attributable to additional labor, inventory and asset disposal costs incurred in connection with the shutdown of the Taiwan plant's production lines in the fourth quarter.

The Company's consolidated operating revenue for 2024 amounted to NT\$5,095,425 thousand, with consolidated gross profit of NT\$170,181 thousand.

Compared to 2023, consolidated operating revenue decreased by 14.38% and consolidated gross profit declined by 70.7%. In addition to the decrease in the Company's standalone revenue, the decrease was also attributable to the decline in revenue from the mainland subsidiary, APCB Electronics (Kunshan), whose standalone revenue decreased by 13.64% due to lower sales of its main product, DRAM memory module boards. Furthermore, following the sale of APCB Electronics during the third quarter, only revenue through the end of Q3 was included in the consolidated results. As a result, the revenue from APCB Electronics recognized in the consolidated financials decreased by 27.7% compared to the prior year. The above factors contributed to the overall decline in consolidated revenue for 2024. In terms of consolidated gross profit, both the Company and its mainland subsidiary recorded decreases compared to the prior year. However, APCB Electronics reported a significant increase in gross profit in 2024 compared to 2023, primarily due to the outsourcing of full-process production for certain products to external manufacturers.

Looking ahead to 2025, under the high-tariff policies of newly elected U.S. President Trump, global supply chains have been severely disrupted. If tariff negotiations between the United States and other countries fail to reach compromises and reductions, there is a potential risk that the global economy could experience a downturn reminiscent of the Great Depression of the 1930s. In response to this major change, the Company is taking proactive measures by enhancing customer service, strengthening new product development, streamlining costs and expenses, and closely monitoring working capital levels, in the hopes of navigating these unexpected changes smoothly and effectively.

(I) Business Plan Implementation Results

Unit: NTD thousand

Items \ Year	2024	2023	Variance Ratio
Operating revenue	5,095,425	5,950,962	-14.38%
Operating costs	4,925,244	5,370,160	-8.28%
Operating Income	170,181	580,802	-70.70%
Operating expenses	649,075	650,848	-0.27%
Operating net income (losses)	-478,894	-70,046	583.69%
Non-operating revenue and expenses	635,831	149,340	325.76%
Net income before tax	156,937	79,294	97.92%
Net income of the period	147,973	54,307	172.48%

(II) Analysis of financial balance and profitability

Items		Year	2024	2023
Financial Structure	Debt to asset ratio		48.43%	59.96%
	Long-term funds to property, plant and equipment ratio		362.72%	204.15%
Profitability	Return on assets		2.87%	1.56%
	Return on Equity		4.06%	1.51%
	Profit before tax to paid-in capital ratio		9.81%	4.96%
	Profit margin		2.90%	0.91%
	Earnings per share		\$0.93	\$0.34

(III) Budget implementation: The Company did not publish its financial forecast for 2024, 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 subtracts, 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 2024 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

2025 Annual Shareholders' Meeting of APCB INC.

APCB INC.
Convener of Audit Committee: Chang, Hui

March 7, 2025

Report on Endorsements/Guarantees Status in 2024

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	Relation							
The Company	APCB Electronics (Kunshan) Co., Ltd.	Investee company accounted by the equity method	2,978,926	1,271,823	965,283	44,780	-	25.92%	3,723,658
The Company	APCB Electronics (Thailand) Co., Ltd.	Investee company accounted by the equity method	2,978,926	1,151,212	-	-	-	-	3,723,658

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 2024

Unit: USD thousand/CNY 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	-	-	0	Short-term financing	-	The need for working capital	-		-	USD9,609	USD9,609
APCB Holdings LIMITED	APCB International Co., Ltd.	USD9,600	USD9,600	USD9,600	0	Short-term financing	-	The need for working capital	-		-	USD9,609	USD9,609
U-PEAK Ltd.	APCB Electronics (Thailand) Co., Ltd.	USD4,900	-	-	0	Short-term financing	-	The need for working capital	-		-	USD57,035	USD57,035
U-PEAK Ltd.	APCB International Co., Ltd.	USD44,690	USD44,690	USD44,690	0	Short-term financing	-	The need for working capital	-		-	USD57,035	USD57,035
GREEN ELITE LIMITED	APCB International Co., Ltd.	USD1,000	-	-	0	Short-term financing	-	The need for working capital	-		-	-	-
PROSPER PLUS LIMITED	APCB Electronics (Thailand) Co., Ltd.	USD3,000	-	-	0	Short-term financing	-	The need for working capital	-		-	-	-
PROSPER PLUS LIMITED	APCB International Co., Ltd.	USD2,000	-	-	0	Short-term financing	-	The need for working capital	-		-	-	-

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 2024

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\$-575	US\$55,986	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\$224	US\$2,101	-

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\$2,234,195 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 2024 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 2024 Business Report.
 - II. For the preceding business reports, independent auditors' reports and financial statements, please refer to page 5-7 and page 19-32 of this meeting handbook.
 - III. Please accept the statements and report.

Resolution:

Motion II.

(Proposed by the Board of Directors)

Cause: The Company's 2024 earnings allocation is proposed for acceptance.

- Explanation:
- I. The Company prepared the 2024 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 NT\$1 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. IV. Please accept the earnings allocation.

Resolution:

APCB INC.
Earnings Allocation Table
2024

Unit: NT\$

Items	Amount
Beginning balance	841,503,756
Less: re-measurements of the net defined benefit plan	0
Add: net income after tax of the period	147,972,822
Less: legal reserve appropriation (10%)	(14,797,282)
Add: special reserve appropriation	70,033,048
Retained earnings available for distribution	1,044,712,344
Appropriation:	
Less: cash dividends to shareholders (\$1 per share)	(156,994,311)
Undistributed earnings at the end of the period	887,718,033

Note: The capital used for calculating the cash dividend to shareholders is based on the total number of issued shares as of March 2025, which was 159,899,311 shares. After deducting 2,905,000 shares to be retired (treasury shares), the total number of shares outstanding after cancelation will be 156,994,311 shares.

Chairman:
Tsao, Yueh-Hsia

Manager:
Lai, Chin-Tsai

Accounting Supervisor:
Tsai, Cheng-Hung

Discussion (I)

Motion I

(Proposed by the Board of Directors)

Cause: Amendment to the certain provisions of the "Articles of Incorporation."

- Explanation:
- I. In compliance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend certain provisions of its Articles of Incorporation. Please refer to the comparison table of the proposed amendments to the Articles of Incorporation.
 - II. The proposal was resolved by the Board of Directors on March 7, 2025.
 - III. Please resolve.

Resolution:

Comparison Table of the Amended Articles of "Articles of Incorporation."

Article	Before Amendment	After Amendment
Article 19	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.	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. <u>No less than 10% of the amount in the preceding paragraph should be set aside for the compensation distributions to non-executive employees.</u>
Article 22	Article XXII These Articles of Incorporation were established on November 21, 1981. (The following is omitted) . . . The 21st amendment was made on June 23, 2022.	Article XXII These Articles of Incorporation were established on November 21, 1981. (The following is omitted) . . . The 21st amendment was made on June 23, 2022. <u>The 22st amendment was made on June 20, 2025.</u>

Election Matters

Motion I.

(Proposed by the Board of Directors)

Cause: Election of the 13th Board of Directors (including independent directors)

Explanation: I. The term of office for the 12th Board of Directors (including independent directors) of the Company expires on June 22, 2025. In accordance with the law, the re-election of directors is proposed at this year's shareholders' meeting. The term of the 12th Board of Directors shall expire upon the election of the new 13th Board of Directors at the same meeting.

II. Pursuant to the Company's Articles of Incorporation, eight directors (including four independent directors) shall be elected. The term of office for the newly elected directors shall be three years, from June 20, 2025 to June 19, 2028.

III. In accordance with the Company's Articles of Incorporation, the election of directors (including independent directors) shall adopt a candidate nomination system. Pursuant to Article 192-1 of the Company Act, shareholders submitted written nominations for director and independent director candidates during the nomination period. The list of candidates was reviewed and approved by the Board of Directors on May 7, 2025. Details regarding the list of director and independent director candidates and their qualifications are provided in the attachment.

IV. The election is conducted in accordance with the "Procedures for Election of Directors" of the Company. Please refer to page 44-47 of this Handbook for details.

V. Please elect the directors.

Election results:

In accordance with Article 192-1 of the Company Act, the list of candidates for director and independent director are as follows:

Title	Name	Shares	educational	Principal work experience	Current positions	Representatives	Independent directors for statement of reasons for serving three terms
Director	Tsao, Yueh-Hsia	9,924,708	Fu-Hsin Trade & Arts School	Chairperson of APCB INC.	Chairperson of APCB INC.	None	N/A
Director	Lai, Chin-Tsai	10,299,803	Shulin Junior High School	General manager of APCB INC.	General manager of APCB INC.	None	N/A
Director	Lin, Chun-Hao	488,926	College of Medicine, National Sun Yat-sen University	Hospital Director, Da-Zan Hospital	Doctor, An-Shin Hospital	None	N/A
Director	Ko, Ching-Yu	1,080,000	Master of Business Administration, National Chung Hsing University	Chairperson of Ching Hao Co., Ltd.	Chairperson of Ching Hao Co., Ltd.	None	N/A
Independent Director	Chang, Hui	0	Master of Business Administration, University of California, Riverside	Audit manager of Taiwan High Speed Rail Co., Ltd.	None	None	Note
Independent Director	Hung, Ju-Mei	0	EMBA (Finance), Pacific Western University	Deputy manager of RUCA Co., Ltd.	Deputy manager of RUCA Co., Ltd.	None	Note
Independent Director	Lin, Pao-Chu	0	M.A., Graduate Institute of Commerce, National Taiwan University	Chairman of KPMG Taiwan/Advisor of CEO Office CPA, KPMG Taiwan	Independent Director, Chia Hsin Cement Corporation	None	N/A
Independent Director	Tsai, Yi-Ling	844	M.A. in Communication Advertising and Public Relations, University of Ulster, U.K.	Sales Assistant Manager, Principal Insurance Brokers Co., Ltd.	Sales Assistant Manager, Principal Insurance Brokers Co., Ltd.	None	N/A

Note: Explanation for Independent Directors Serving Three Consecutive Terms

Independent directors Ms. Hui Chang and Ms. Ju-Mei Hung possess extensive experience in management and finance, enabling them to provide valuable guidance and insights to the Company's operations. During their tenure, both Ms. Chang and Ms. Hung have demonstrated their professional expertise while maintaining independence. In line with the Company's long-term development goals and its board diversity policy, they are hereby nominated once again as candidates for independent director.

Discussion (II)

Motion II

(Proposed by the Board of Directors)

Cause: The motion to remove the prohibition of competition for newly elected directors (including independent directors) and their representatives is proposed for resolution.

- Explanation:
- I. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall secure approval from the shareholders' meeting.
 - II. For the purpose of operational strategy, on the condition of not affecting regular business of the Company, the prohibition of competition for the directors (including independent directors) and their representatives newly elected at this regular shareholders' meeting is proposed to be removed.
 - III. Details of the newly elected directors (including independent directors) and their representatives in respect of the prohibition of competition for outside employment are set forth below.
 - IV. Please resolve the proposal.

Resolution:

Title	Name	Current positions
Director	Tsao, Yueh-Hsia	Director of Commend Machinery Co., Ltd.
Director	Lin, Chun-Hao	Doctor, An-Shin Hospital
Director	Ko, Ching-Yu	Chairperson of Ching Hao Co., Ltd.
Independent Director	Hung, Ju-Mei	Deputy manager of RUCA Co., Ltd.
Independent Director	Lin, Pao-Chu	CHIA HSIN CEMENT CORPORATION/ Independent Directors
Independent Director	Tsai, Yi-Ling	Sales Assistant Manager, Principal Insurance Brokers Co., Ltd.

Extraordinary Motions

Adjournment

Appendix I

Independent Auditors' Report

To Board of Directors, 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 January 1 to December 31, 2024 and 2023, 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 January 1 to December 31, 2024 and 2023.

In our opinion, the aforementioned consolidated financial statements fairly present in all material respects the financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and cash flows for each of the years starting January 1 and ending December 31, 2024 and 2023 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 entrusted 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, 2024. 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. The key audit matters determined by our accountants to be stated on the auditors’ report are as follows:

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 Company is a TWSE listed company, which receives high attention of the investors. In addition, the judgment of the timing of revenue recognition and the transfer of control of goods are extremely important for the fair presentation of the financial statements. Therefore, we consider revenue recognition as one of the key audit matters in auditing the current year's financial report.

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.
- 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.

Other matters

APCB INC. has prepared the 2024 and 2023 parent company only financial reports, and we have presented an 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 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 cases where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the consolidated financial statements is 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 auditors' 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 significance in the audit of the Group's 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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 Taiwan

Jhao, Min-Ru

CPA:

Lu, Li-Li

Securities Competent
Authority Approval
number

Jin-Guan-Cheng-Shen-Zi Letter
No. 1050036075
Jin-Guan-Cheng-Liu-Zi Letter No.
0940100754

March 17, 2025

Unit: NTD thousand

Chairperson: Tsao, Yueh-Hsia
Managerial Officer: Lai, Jin-Tsai
Accounting Officer: Tsai, Cheng-Hong

APCB Inc.
Statements of Consolidated Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6 (20)):	\$ 5,095,425	100	5,950,962	100
5111	Operating costs (Note 6 (7), (9), (10), (11), (15), (16), and 12)	4,925,244	97	5,370,160	90
5950	Gross profit	170,181	3	580,802	10
6000	Operating expenses (Note 6 (5), (9), (10), (11), (15), (16), (21), 7 and 12):				
6100	Selling expenses	152,941	3	200,761	3
6200	Administrative expenses	497,408	9	456,611	8
6450	Losses on Expected Credit Impairment (gains from reversal)	(1,274)	-	(6,524)	-
	Total operating expenses	649,075	12	650,848	11
6900	Net operating loss	(478,894)	(9)	(70,046)	(1)
7000	Non-operating income and expense (Note 6 (2), (3), (8), (9), (10) (15), (22), 7):				
7100	Interest income	106,869	2	114,601	2
7010	Other income	55,471	1	88,673	1
7020	Other gains or losses	561,488	11	67,466	1
7050	Financial costs	(87,997)	(2)	(121,400)	(2)
	Total non-operating incomes and expenses	635,831	12	149,340	2
7900	Net income before tax	156,937	3	79,294	1
7950	Less: Tax expenses (Note 6 (17))	8,964	-	24,987	-
8200	Current period net profit	147,973	3	54,307	1
8300	Other comprehensive income (Note 6 (8), (16), (17), and 6 (18)):				
8310	Items not reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit programs	-	-	(2,249)	-
8349	Less: Income taxes related to the items not re-classified	-	-	(450)	-
	Total amount of items not reclassified subsequently to profit or loss	-	-	(1,799)	-
8360	Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss:				
8361	Exchange Differences on Translation of Foreign Financial Statements	111,639	2	(32,575)	(1)
8399	Less: Income taxes related to the items that may be reclassified	19,132	-	(6,507)	-
	Total Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss	92,507	2	(26,068)	(1)
8300	Comprehensive income in the current period	92,507	2	(27,867)	(1)
8500	Total comprehensive income in the current period	<u>\$ 240,480</u>	<u>5</u>	<u>26,440</u>	
Earnings per share (Unit: NTD) (Note 6 (19))					
9750	Basic earnings per share	<u>\$ 0.93</u>		<u>0.34</u>	
9850	Diluted earnings per share	<u>\$ 0.92</u>		<u>0.34</u>	

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

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

APCB Inc.

Statements of Changes in Consolidated Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Equity attributed to the owner of the parent company						Other equities components			
	Retain earnings						Exchange Differences on Translation of Foreign Financial Statements	Unrealized profit or loss of financial assets through other comprehensive income at FV/TPL	Total	Total equity
	Common share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total				
Balance as of January 1, 2023	\$ 1,598,993	418,929	614,511	215,722	812,450	1,642,683	(51,411)	7,444	(43,967)	3,616,638
Earnings appropriation and distribution:										
Set aside legal reserve	-	-	3,992	-	(3,992)	-	-	-	-	-
Set aside special reserve	-	-	-	(171,755)	171,755	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(79,950)	(79,950)	-	-	-	(79,950)
Current period net profit	-	-	-	-	54,307	54,307	-	-	-	54,307
Comprehensive income in the current period	-	-	-	-	(1,799)	(1,799)	(26,068)	-	(26,068)	(27,867)
Total comprehensive income in the current period	-	-	-	-	52,508	52,508	(26,068)	-	(26,068)	26,440
Balance as of December 31, 2023	1,598,993	418,929	618,503	43,967	952,771	1,615,241	(77,479)	7,444	(70,035)	3,563,128
Earnings appropriation and distribution:										
Set aside legal reserve	-	-	5,250	-	(5,250)	-	-	-	-	-
Set aside special reserve	-	-	-	26,068	(26,068)	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(79,950)	(79,950)	-	-	-	(79,950)
Current period net profit	-	-	-	-	147,973	147,973	-	-	-	147,973
Comprehensive income in the current period	-	-	-	-	-	-	92,507	-	92,507	92,507
Total comprehensive income in the current period	-	-	-	-	147,973	147,973	92,507	-	92,507	240,480
Balance as of December 31, 2024	\$ 1,598,993	418,929	623,753	70,035	989,476	1,683,264	15,028	7,444	22,472	3,723,658

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

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

APCB Inc.
Statements of Consolidated Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	2024	2023
Cash flows from operating activities:		
Current net profit before income tax	\$ 156,937	79,294
Adjustment item:		
Income/expenses items		
Depreciation expense	285,434	379,312
Amortization expenses	2,178	2,648
Losses on Expected Credit Impairment (gains from reversal)	(1,274)	(6,524)
Gain or loss on financial assets and liabilities at FVTPL	16,393	(23,487)
Interest expenses	87,997	121,400
Interest income	(106,869)	(114,601)
Dividend income	(2,184)	(7,257)
Loss on disposal and scraps of property, plant and equipment	15,348	8,168
Loss from disposal of intangible assets	600	-
Gains from disposal of subsidiary	(577,144)	-
Gains from modification of lease	-	(17)
Loss from impairment of non-financial assets	104,244	-
Total income/expenses items	(175,277)	359,642
Asset/liability variation related to operating activities		
Net asset variation related to operating activities		
Financial assets designated as at FVTPL	382,907	(471,016)
Notes receivable	(652)	(2,346)
Accounts receivable	(167,667)	159,937
Other receivables	87,032	16,368
Inventories	(37,778)	112,436
Other current asset	10,531	(4,448)
Total net asset variation related to operating activities	274,373	(189,069)
Net liabilities variation related to operating activities		
Financial liabilities at FVTPL	-	(18,158)
Notes payable	(9,089)	6,151
Accounts payable	174,573	(54,229)
Other payables	107,531	(3,715)
Refunds liabilities	(9,248)	(1,847)
Other current liabilities	(7,043)	(10,367)
Net defined benefit liability	(5,421)	662
Total net liabilities variation related to operating activities	251,303	(81,503)
Total net assets and liabilities variation related to operating activities	525,676	(270,572)
Total adjustment item	350,399	89,070
Cash inflow provided by operating activities	507,336	168,364
Interest received	92,516	109,798
Interest paid	(91,482)	(120,725)
Tax paid	(4,141)	(60,542)
Net cash inflow from operating activities	504,229	96,895
Cash flows from investment activities:		
Acquisition of financial assets measured at amortized cost	(740,367)	-
Disposal of financial assets measured at amortized cost	3,099	-
Payment from disposal of subsidiary	904,456	-
Acquisition of property, plant and equipment	(219,560)	(140,936)
Disposal of property, plant and equipment	44,431	7,841
Acquisition of Intangible Assets	(555)	(2,691)
Decrease (increase) of other non-current assets	(5,179)	6,100
Dividends received	2,184	7,257
Net cash outflow from investment activities	(11,491)	(122,429)
Cash flows from financing activities:		
Increase in short-term borrowings	12,404,353	16,918,362
Decrease in short-term borrowings	(13,762,797)	(16,608,557)
Increase in short-term notes payable	190,162	1,320,753
Decrease in short-term notes payable	(340,002)	(1,320,807)
Borrowed Long-term borrowings	230,274	23,776
Repayments of long-term borrowings	(233,823)	(53,255)
Increase (decrease) in guarantee deposit	(676)	5,238
Repaid principal of lease	(9,864)	(13,894)
Distribution of cash dividends	(79,950)	(79,950)
Increase in long-term income	1,600	763
Net cash inflow (outflow) provided by financing activities	(1,600,723)	192,429
Effect of changes in exchange rate on cash and cash equivalents	(60,536)	(12,081)
Increase in current cash and equivalents	(1,168,521)	154,814
Cash and cash equivalents at the beginning of the year	3,853,164	3,698,350
Cash and cash equivalents at the end of the year	\$ 2,684,643	3,853,164

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

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

Independent Auditors' Report

To Board of Directors, 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 January 1 to December 31, 2024, and 2023, as well as 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 January 1 to December 31, 2024, and 2023.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as of January 1 to December 31, 2024, and 2023, as well as its unconsolidated financial performance and 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 entrusted 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, 2024. 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. The key audit matters determined by our accountants to be stated on the auditors’ report are as follows:

Recognition of revenue

Please refer to Note 4 (13) in the parent company only financial statements for the accounting policy of the recognition of 18; please refer to Note 6 (18) 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. In addition, the judgment of the timing of revenue recognition and the transfer of control of goods are extremely important for the fair presentation of the financial statements. Therefore, we consider revenue recognition as one of the key audit matters in auditing the current year's financial report.

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.
- 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.

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 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 auditors' 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 significance in the audit of the Company's 2024 unconsolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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 Taiwan

Jhao, Min-Ru

CPA:

Lu, Li-Li

Securities Competent
Authority Approval
number

Jin-Guan-Cheng-Shen-Zi Letter
No. 1050036075
Jin-Guan-Cheng-Liu-Zi Letter No.
0940100754

March 17, 2025

APCB Inc.

Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousand

	Asset	2024.12.31		2023.12.31			2024.12.31		2023.12.31	
		Amount	%	Amount	%		Amount	%		
1100	Current asset:									
1110	Cash and cash equivalents (Note 6 (1))	\$ 518,361	9	1,723,400	28	2100	Liabilities and Equity			
	Financial assets at fair value through profit or loss (FVTPL) - Current (Note 6 (2))	138,482	3	132,090	2	2110	Current liabilities:			
1150	Net notes receivable (Note 6 (4) and (18))	1,094	-	1,351	-	2150	Short-term borrowings (Note 6 (4), (8), (9), (11), 7, 8, and 9)	\$ 995,000	18	
1170	Net accounts receivable (Note 6 (4), (11), (18) and 8)	405,058	7	382,634	6	2170	Short-term notes payable (Note 6 (12))	-	-	
1180	Net accounts receivable – Related party (Note 6 (4), (18), and 7)	1,004	-	628	-	2180	Notes payable	86,875	2	
1200	Other receivables (Note 6 (5))	57,567	1	19,459	-	2200	Accounts payable	14,727	-	
1212	Other receivables - Related party (Note 6 (5) and 7)	3,309	-	45,130	1	2180	Accounts payable - Related party (Note 7)	188,388	4	
1220	Current tax assets	46,940	1	44,321	1	2280	Other payables (Note 6 (19))	174,252	3	
130x	Inventories (Note 6 (6))	89,446	2	119,138	2	2365	Lease liabilities - Current (Note 4 (14) and 7)	7,223	-	
1479	Other current asset	2,826	-	12,010	-	2399	Lease liabilities - Current	8,554	-	
	Total current asset	1,264,087	23	2,480,161	40		Refund liabilities - Current	16,262	-	
	Non-current assets:						Other current liabilities	16,262	-	
1520	Financial assets through other comprehensive income at FVTPL - Non-current (Note 6 (3))	24,795	-	24,795	-		Total current liabilities	1,491,281	27	
1550	Investment accounted for using the equity method (Note 6 (7))	3,846,341	70	3,194,118	52	2570	Non-current liabilities:			
1600	Property, Plant and Equipment (Note 6 (8), (11), 7, 8, and 9)	140,751	3	282,286	5	2580	Deferred tax liabilities (Note 6 (15))	190,544	4	
1755	Right-of-use asset (Note 6 (9), (11), (13), 7, and 8)	66,329	1	71,813	2	2640	Lease liabilities – Non-current (Note 6 (13) and 7)	61,927	1	
1780	Intangible asset (Note 6 (10))	-	-	1,150	-		Net defined benefit liabilities – Non-current (Note 6 (14))	6,164	-	
1840	Deferred tax assets (Note 6 (15))	130,811	3	34,765	1		Total non-current liabilities	258,635	5	
1990	Other non-current asset	460	-	3,050	-		Total Liabilities	1,749,916	32	
	Total non-current asset	4,209,487	77	3,611,977	60		Equity (Note 6 (14), (15) and (16)):			
							Share capital	1,598,993	29	
							Capital surplus	418,929	8	
							Retained earnings:			
							Legal reserve	623,753	12	
							Special reserve	70,035	1	
							Unappropriated retained earnings	989,476	18	
							Subtotal of retained earnings	1,683,264	31	
							Other equities:			
							Exchange Differences on Translation of Foreign Financial Statements	15,028	-	
							Unrealized profit or loss of financial assets through other comprehensive income at FVTPL	7,444	-	
							Total equity	22,472	(1)	
							Total liabilities and equities	3,723,658	68	
								\$ 5,473,574	100	
								6,092,138	100	
1xxx	Total assets	\$ 5,473,574	100	6,092,138	100					

Chairperson: Tsao, Yueh-Hsia

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

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

APCB Inc.
Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6 (18) 7):				
4111	Sales revenue	\$ 1,250,649	102	1,309,626	102
4170	Less: Sales return	2,730	-	541	-
4190	Sales discount	22,954	2	28,400	2
4100	Net operating revenue	1,224,965	100	1,280,685	100
5000	Operating costs (Note 6 (6), (8), (9), (10), (13), (15), 7 and 12)	1,428,237	117	1,315,969	103
5950	Gross loss	(203,272)	(17)	(35,284)	(3)
6000	Operating expenses (Note 6 (4), (8), (9), (10), (13), (14), (19), 7 and 12):				
6100	Selling expenses	16,405	1	18,860	2
6200	Administrative expenses	150,740	12	94,135	7
6450	Losses on Expected Credit Impairment (gains from reversal)	-	-	(328)	-
	Total operating expenses	167,145	13	112,667	9
6900	Net operating loss	(370,417)	(30)	(147,951)	(12)
7000	Non-operating income and expense (Note 6 (2), (3), (8), (13), (20) and 7):				
7100	Interest income	21,485	2	47,153	3
7010	Other income	67,158	6	102,145	8
7020	Other gains or losses	(39,705)	(3)	46,394	4
7050	Financial costs	(31,434)	(3)	(43,788)	(3)
7370	Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	540,584	44	80,954	6
	Total non-operating incomes and expenses	558,088	46	232,858	18
7900	Net income before tax	187,671	16	84,907	6
7950	Less: Tax expenses (Note 6 (15))	39,698	3	30,600	2
8200	Current period net profit	147,973	13	54,307	4
8300	Other comprehensive income (Note 6 (14), and (15) and (16)):				
8310	Items not reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit programs	-	-	285	-
8331	Remeasurement of defined benefit programs subsidiaries, associates, and joint venture	-	-	(2,534)	-
8349	Less: Income taxes related to the items not re-classified	-	-	(450)	-
	Total amount of items not reclassified subsequently to profit or loss	-	-	(1,799)	-
8360	Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss:				
8361	Exchange Differences on Translation of Foreign Financial Statements	95,669	8	(32,536)	(3)
8380	Share of other comprehensive income of subsidiaries, associated companies, and joint venture accounted for using equity method	15,970	1	(39)	-
8399	Less: Income taxes related to the items that may be reclassified	19,132	2	(6,507)	(1)
	Total Components of Other Comprehensive Income that May Be Reclassified to Profit or Loss	92,507	7	(26,068)	(2)
8300	Comprehensive income in the current period	92,507	7	(27,867)	(2)
8500	Total comprehensive income in the current period	<u>\$ 240,480</u>	<u>20</u>	<u>26,440</u>	<u>2</u>
Earnings per share of the Company (Unit: NTD) (Note 6 (17))					
9750	Basic earnings per share	<u>\$ 0.93</u>		<u>0.34</u>	
9850	Diluted earnings per share	<u>\$ 0.92</u>		<u>0.34</u>	

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

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

APCB Inc.

Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

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	614,511	215,722	812,450	1,642,683	(51,411)	7,444	(43,967)
-	-	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)
-	-	-	-	52,508	52,508	(26,068)	-	(26,068)
1,598,993	418,929	618,503	43,967	952,771	1,615,241	(77,479)	7,444	(70,035)
-	-	5,250	-	(5,250)	-	-	-	-
-	-	-	26,068	(26,068)	-	-	-	-
-	-	-	-	(79,950)	(79,950)	-	-	(79,950)
-	-	-	-	147,973	147,973	-	-	147,973
-	-	-	-	-	-	92,507	-	92,507
-	-	-	-	147,973	147,973	92,507	-	92,507
\$ 1,598,993	418,929	623,753	70,035	989,476	1,683,264	15,028	7,444	22,472
								3,723,658

Balance as of January 1, 2023

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

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, 2024

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

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

Chairperson: Tsao, Yueh-Hsia

APCB Inc.
Cash flow statement
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	2024	2023
Cash flows from operating activities:		
Current net profit before income tax	\$ 187,671	84,907
Adjustment item:		
Income/expenses items		
Depreciation expense	45,414	50,962
Amortization expenses	550	393
Losses on Expected Credit Impairment (gains from reversal)	-	(328)
Gain on financial assets at FVTPL	16,393	(24,457)
Interest expenses	31,434	43,788
Interest income	(21,485)	(47,153)
Dividend income	(2,184)	(7,257)
Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	(540,584)	(80,954)
Gains on disposal of property, plant and equipment	(4,780)	(759)
Loss from disposal of intangible assets	600	-
Gains from modification of lease	-	(8)
Loss from impairment of non-financial assets	104,244	-
Total income/expenses items	<u>(370,398)</u>	<u>(65,773)</u>
Asset/liability variation related to operating activities		
Net asset variation related to operating activities		
Financial assets designated as at FVTPL	(22,785)	(52,093)
Notes receivable	257	1,311
Accounts receivable	(22,424)	26,059
Accounts receivable - Related party	(376)	12,208
Other receivables	(40,797)	20,310
Other receivables - Related party	41,821	61,980
Inventories	29,692	5,271
Other current asset	9,184	(3,079)
Total net asset variation related to operating activities	<u>(5,428)</u>	<u>71,967</u>
Net liabilities variation related to operating activities		
Financial liabilities at FVTPL	-	(11,648)
Notes payable	(5,865)	5,463
Accounts payable	(11,771)	5,809
Accounts payable - Related party	22,193	47,119
Other payables	86,697	6,458
Refunds liabilities	(876)	(6,057)
Other current liabilities	(589)	(16,593)
Net defined benefit liability	(7,553)	(365)
Total net liabilities variation related to operating activities	<u>82,236</u>	<u>30,186</u>
Total net assets and liabilities variation related to operating activities	<u>76,808</u>	<u>102,153</u>
Total adjustment item	<u>(293,590)</u>	<u>36,380</u>
Cash inflow (outflow) from operating activities	<u>(105,919)</u>	<u>121,287</u>
Interest received	24,174	44,531
Interest paid	(32,249)	(43,654)
Tax paid	(2,939)	(63,972)
Net cash inflow (outflow) from operating activities	<u>(116,933)</u>	<u>58,192</u>
Cash flows from investment activities:		
Acquisition of property, plant and equipment	(3,285)	(12,798)
Disposal of property, plant and equipment	7,311	7,672
Acquisition of Intangible Assets	-	(1,200)
Increase in other non-current assets	2,590	(813)
Dividends received	2,184	7,257
Net cash inflow from investment activities:	<u>8,800</u>	<u>118</u>
Cash flows from financing activities:		
Increase in short-term borrowings	9,755,000	12,760,000
Decrease in short-term borrowings	(10,615,000)	(12,930,000)
Increase in short-term notes payable	190,162	1,320,753
Decrease in short-term notes payable	(340,002)	(1,320,807)
Repayments of long-term borrowings	-	(16,923)
Repaid principal of lease	(7,116)	(7,387)
Distribution of cash dividends	(79,950)	(79,950)
Net cash outflow from financing activities	<u>(1,096,906)</u>	<u>(274,314)</u>
Decrease in current cash and equivalents	<u>(1,205,039)</u>	<u>(216,004)</u>
Cash and cash equivalents at the beginning of the year	<u>1,723,400</u>	<u>1,939,404</u>
Cash and cash equivalents at the end of the year	<u>\$ 518,361</u>	<u>1,723,400</u>

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

Chairperson: Tsao, Yueh-Hsia

Managerial Officer: Lai, Jin-Tsai

Accounting Officer: Tsai, Cheng-Hong

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 (Pre-amended)

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.

Procedures for Election of Directors

Article I. To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

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

Article III. The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs.

It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background, professional skills, and industry experience.

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

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of

kinship with any other director.

Article IV. (Deleted)

Article V. The qualifications and election of the independent directors of the Company shall comply with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Article VI. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election for director at the next following shareholders’ meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders’ meeting within 60 days of the occurrence of that fact to hold a by-election for directors.

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

Article VII. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article VIII. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The

number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article IX. The number of directors will be as specified in this Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article X. Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article XI. (Deleted)

Article XII. A ballot is invalid under any of the following circumstances:

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

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper

custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article XIV. The board of directors of this Corporation shall issue notifications to the persons elected as directors.

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

Appendix V

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	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		20,713,437	12.96%

- 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 22, 2025, 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 VI

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

Items		Year	2025 (Pro-forma)
Beginning paid-in capital			NT\$1,598,993,110
Stock dividend and cash dividend issued this year	Cash dividend per share		NT\$1
	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		—
	Average annual ROE ratio (reciprocal of average annual P/E ratio)		—
Pro forma earnings per share and its 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 capital used for calculating the cash dividend to shareholders is based on the total number of issued shares as of March 2025, which was 159,899,311 shares. After deducting 2,905,000 shares to be retired (treasury shares), the total number of shares outstanding after cancelation will be 156,994,311 shares.

2: The Company did not make financial forecast for 2025 publicly; therefore, there is no need to disclose the information of the 2025 forecast.