

Stock Code: : 4583



APEX DYNAMICS, INC.

**Handbook for the
2025 Annual Meeting of Shareholders**

Meeting Time : May 23, 2025 (Friday)

Meeting Place : APEX DYNAMICS, INC.

**NO.10, Keyuan 3rd Rd., Situn District, Taichung City, Taiwan (Physical
shareholder meeting)**

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APEX DYNAMICS, INC.

Procedure for the 2025 Annual Meeting of Shareholders

Convocation method : Physical shareholder meeting

Meeting Time : May 23, 2025 2:00PM

Meeting Place : NO.10, Keyuan 3rd Rd., Situn District, Taichung City, Taiwan

1. Call the Meeting to Order

2. Chairman Remarks

3. Report Items

- (1) Annual Business Report for 2024
- (2) Annual Audit Committee Review Report for 2024
- (3) Annual Employee Remuneration and Director Remuneration Distribution Report for 2024
- (4) Annual Directors' Remuneration Report for 2024
- (5) Annual Earnings Distribution Cash Dividend Report for 2024
- (6) Annual Related Party Transaction Report for 2024

4. Proposals Items

- (1) Annual Business Report and Financial Statements for 2024

5. Discussion Items

- (1) Discussion of the "Articles of Incorporation of the Company"
- (2) Establish of the Company's "Procedures for Derivative Trading"
- (3) Discussion of amendments to the Company's "Procedures for Asset Acquisition & Disposal"

6. Extemporary Motions

7. Adjournment

Report Items

Report No.1 (Proposed by the Board of Directors)

Proposal : The 2024 Business Report please attach as P.6~P.8 of this handbook.

Report No.2 (Proposed by the Board of Directors)

Proposal : Audit Committee's Review Report on the 2024 Financial Statements please attach as P.9 of this handbook.

Report No.3 (Proposed by the Board of Directors)

Proposal : 2024 Report on Distribution of Employee Remuneration and Directors' Remuneration

Explanation: The employee's remuneration for Company and Director's remuneration in 2024 were approved by the Board of Directors on February 21, 2025. The distribution of employee remuneration of NT\$7,116,539 and director's remuneration of NT\$4,522,000 will be paid in cash.

Report No.4 (Proposed by the Board of Directors)

Proposal : 2024 Annual Directors' Remuneration Report

Explanation: According to article 10-1, the role of the Corporate Governance Best Practice Principles, the Company shall report the remuneration received by the directors at the annual Shareholders' Meeting, including the remuneration policies, the content and amount of individual remuneration and the correlation with the performance of evaluation results. For more related details, please attach as P.10 of this handbook.

Report No.5 (Proposed by the Board of Directors)

Proposal : 2024 Annual Earnings Distribution Cash Dividend Report

Explanation: 1. The net income after tax of Company in 2024 was NT\$1,134,019,384, according to Article 237 of the Company Law and the Company's articles of association, when the statutory surplus reserve has reached the paid-in capital, there is no need to set aside 10% as the statutory surplus reserve. On February 21, 2025, it was approved by the audit committee and the Board of Directors, and 10% of the statutory surplus reserve was still set aside, with an amount of NT\$113,401,938.

2. The Company distributed a cash dividend of NT\$12 per share in 2024, calculated on the basis of earnings distribution of NT\$8 per share and capital surplus of NT\$4 per share. Based on the number of 80,171,351 shares issued and entitled to participate in the distribution, NT\$962,056,212 will be distributed, and release completed on April 25, 2025.

Report No.6 (Proposed by the Board of Directors)

Proposal : 2024 Annual Related Party Transaction Report

Explanation: According to Article 19 of our Company's "Corporate Governance Best Practice Principles", in accordance with the principles of fairness and equity, irregular trading practices should be eliminated. For the execution details of related party in 2024, please attach as P.11 of this handbook.

Proposals Items

Proposal No.1 (Proposed by the Board of Directors)

Proposal : Adoption of the 2024 Business Report and Financial Statements

Explanation: 1. The Company's 2024 Financial Statements, including the balance sheet, Statement of Comprehensive Income, Statement of changes in equity, and statement of cash flows, were audited by independent auditors, Chang, Tsu-Hsin and Chen, Cheng-Hsueh of KPMG.

2. 2024 Business Report, Accountant audit report, the above financial statements and Disposition of net income. Please attach to P.6~8, P.12~28 of this handbook.

3. This proposal has been reviewed and approved by the Audit Committee, also passed by the Board of Directors, and submitted to the Meeting of Shareholders for review and approval.

Resolution:

Discussion Items

Proposal No.1 (Proposed by the Board of Directors)

Proposal : Discussion of the "Articles of Incorporation of the Company"

Explanation: 1. To comply with the provisions of Article 14, paragraph 6 of the Securities Exchange Act, we propose to amend certain provisions of our "Articles of Incorporation of the Company." Please attach as the amendment comparison table on P.29 of this handbook for details.

2. This proposal has been reviewed and approved by the Board of Directors, and submitted to the Meeting of Shareholders for discussion.

Resolution:

Proposal No.2 (Proposed by the Board of Directors)

Proposal : Establish of the Company's "Procedures for Derivative Trading."

- Explanation: 1. To enhance corporate governance, we have developed a "Procedure for erivative Trading" for our Company. Please attach as P. 30-33 of this handbook.
2. This proposal has been reviewed and approved by the Audit Committee, also passed by the Board of Directors, and submitted to the Meeting of Shareholders for discussion.

Resolution:

Proposal No.3 (Proposed by the Board of Directors)

Proposal : Discussion of amendments to the Company's "Procedures for Asset Acquisition & Disposal"

- Explanation: 1. To enhance corporate governance, we have optimized the internal control procedures for asset acquisition and disposal. We propose to revise and rename the "Procedures for Asset Acquisition & Disposal." to "Procedures for Asset Acquisition or Disposal." Please attach as the amendment comparison table on P. 34-71 of this handbook for details.
2. This proposal has been reviewed and approved by the Audit Committee, also passed by the Board of Directors, and submitted to the Meeting of Shareholders for discussion.

Resolution:

Extemporary Motions

Adjournment

APEX DYNAMICS, INC.

Annual Business Report

【Appendix 1】

1. 2024 Annual Business Report

(1) Business plan implementation results

APEX DYNAMICS, INC.'s 2024 consolidated operating revenue increased by 10.12%, net income before tax increased by 29.21%, net income after tax increased by 29.88%, and EPS after tax was NT\$ 14.15, an increased of 29.94%, as shown in the following table:

Consolidated of APEX DYNAMICS, INC.

Unit: NT\$1000; %

Item	2023	2024	Increase (decrease) ratio
Operating revenue	2,686,956	2,958,991	10.12
Gross profit	1,490,962	1,612,532	8.15
Operating income	905,765	994,880	9.84
Net Income before tax	1,092,540	1,411,680	29.21
Net income	873,157	1,134,019	29.88

APEX DYNAMICS, INC. (Machinery Industry)

Unit: NT\$1000; %

Item	2023	2024	Increase (decrease) ratio
Operating revenue	2,132,246	2,379,960	11.62
Gross profit	1,088,621	1,195,107	9.78
Operating income	834,733	923,928	10.69

(2) Budget implementation

The Company has not disclosed its financial forecast for 2024, so there is no disclosure of the previous year's budget execution.

(3) Profitability analysis

Unit: %

Item	2023	2024
Return on assets	8.03	10.32
Return on equity	8.89	11.31
Income Before Tax to Paid-in Capital Ratio	136.28	176.08
Net profit margin	32.50	38.32
Earnings per share (NT\$)	10.89	14.15

(4) Operating Results

In 2024, China's market faces deflation, with domestic consumption and investment falling short of expectations, failing to demonstrate the speed and strength of economic recovery. The manufacturing and automotive sectors in the Eurozone (Euro Area) are weak, with a decline in output. The global economic situation is fluctuating amid the tug-of-war between inflation and interest rate cuts. Additionally, uncertainty in international policies and geopolitical tensions contribute to significant volatility in the global economy, making it difficult to focus on growth momentum.

APEX DYNAMIC, INC. is strategically positioned globally. Although it is less affected by fluctuations in a single regional market, it still bears the pressure of global economic activity shocks. However, the Company's production and sales are expected to improve in 2024, and with foreign exchange gains, revenue and profits from the machinery industry are still projected to grow significantly.

In 2024, the surge in outbound travel among nationals has weakened some domestic tourism opportunities. However, benefiting from the vibrant exchange of international business travelers, the subsidiary, MILLENNIUM VEE HOTEL TAICHUNG, is still able to deliver results that meet its expected growth targets.

Therefore, the APEX DYNAMICS, INC.'s group has significant growth in consolidated operating net profit, net profit, and earnings per share in 2024.

(5) Research and development Status

Main research and development products	Main purpose and function
Backlash-free servo coupling	Convenient for axial installation, the elastomer pre-stressed assembly ensures zero backlash transmission. It also provides good vibration damping performance, effectively improving the stability of the transmission system.
Gearbox - MG / MGH/MGK/MGHK series	It can meet greater radial force demands, and with a gear-type output, it can fully utilize the output torque of the reducer. It also offers options for flange interfaces.
Gearbox - MGO / MGOH /MGOK/MGOHK series	In addition to meeting greater radial force demands, it offers customers more flexible installation options, differing from the installation methods of MG / MGH.

2. Summary of 2025 business plan

(1) Business policy and production and marketing policy

Expected in 2025, global economic activity will remain sluggish and will not rebound quickly. The Company urges agents in various countries to actively engage with customers to strengthen existing relationships and make efforts to develop new clients. The Company has newly established a general agent in Vietnam to market and service the Vietnamese market. Currently, the Company has a total of 38 general agents in 31 countries around the world, enhancing local services for various industry applications.

With the strong support of its Parent Company APEX DYNAMIC, INC. for research and development and production capacity, it continues to launch new products, expand its product line, provide more industrial application solutions, enter new markets, and quickly meet various industry demands.

The Company has established a new strategic direction. In addition to continuing to develop and mass-produce market commodities based on market research, it will also actively seek collaborative development and design with specific customers to produce specialized products. The goal is to tap into potential niche markets and contribute to the overall revenue of the Company.

In light of the slowing service industry, MILLENNIUM VEE HOTEL TAICHUNG will continue to create differentiated services and combine unique cultural activities and festive themes, leveraging the hotel's existing geographical advantages to maintain stable growth in revenue and profits. It is hope that in the post-pandemic era, the economy will recover, and international business travelers as well as domestic and foreign tourists will continue to return. The operations of MILLENNIUM VEE HOTEL , TAICHUNG is expected to achieve excellent results, positively contributing to the overall consolidated profits of the APEX DYNAMIC, INC Group.

(2) Expected sales volume and its rationale

The Company refers to the market analysis of major research institutions, and according to the estimated needs of customers, considers production capacity planning, and sets annual sales targets based on past operating performance.

3. The future development strategy of the Company will be affected by the external competitive environment, regulatory environment and overall business environment

Under the development strategy of ESG and energy-saving carbon reduction, the Company is continuously improving various internal management processes, optimizing cross-departmental information systems to accurately and promptly control production processes, and enhancing production line flexibility. It is also continuously optimizing the processing and assembly procedures, strengthening personnel training, and further improving efficiency and yield, while maintaining a consistent rapid supply strategy. Among these efforts, the Company will focus on further optimizing production automation to address the increasingly severe issue of personnel shortages.

The Company continues to actively develop new products and seek potential regional agents in the market, further expanding marketing channels to promote the Company's global brand image. In this way, the Company can steadily advance into the next economic cycles.

Finally, I would like to thank all shareholders for their long-term support and encouragement to the Company. Here, on behalf of APEX DYNAMICS, INC., I would like to extend my sincerest thanks to all shareholders, and wish all shareholders good health!

Chairman
Chang, Chung-Hsing

General Manager
Kuo, Chung-Che

Financial Supervisor
Hung, Hsiu-Min

APEX DYNAMICS, INC.

Audit Committee's Review Report

【Appendix 2】

The Board of Directors has prepared and submitted to the undersigned, audit committee of APEX DYNAMICS, INC., 2024 business report consolidated financial statements and dividend distribution proposal.

The consolidated financial statements have been duly audited by certified public accountants Chang, Tsu-Hsin and Chen, Cheng-Hsueh of KPMG. The above business reports, consolidated financial statements and dividend distribution proposal have been examined and determined to be correct and accurate by the undersigned. This report is duly submitted in accordance with Securities Exchange Act and Company Act.

For:

APEX DYNAMICS, INC.'s 2025 Annual Meeting of Shareholders.

The Audit Committee, Chairman

Chuang, Bor-Nian

February 21, 2025

APEX DYNAMICS, INC.

Annual Directors' Remuneration Report for 2024

Unit: NT\$1000 ;% 【Appendix 3】

Job Title	Name (Note 1)	Remuneration								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+ G and ratio to net income		Remuneration received from investee enterprises or from the parent Company		
		Remuneration (A)		Severance Pay (B)		Director Remuneration (C)		Business Execution Cost (D)				Salary, bonuses, and allowance, etc. (E)		Severance Pay (F)		Employee profit-sharing compensation (G)								
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The company	All companies in the financial statements			
															Cash Amount	Stock Amount	Cash Amount	Stock Amount						
Chairman	Chang, Chung-Hsing	2,676	2,676	0	0	646	646	0	0	3,322	3,322	0	0	0	0	0	0	0	0	3,322	3,322	0.29%	0.29%	None
Director	Chang Yao-Tung	0	0	0	0	646	646	0	0	646	646	0	0	0	0	0	0	0	0	646	646	0.06%	0.06%	
	Huang Yu-Wen	0	0	0	0	646	646	0	0	646	646	0	0	0	0	0	0	0	0	646	646	0.06%	0.06%	
	Hsu, Che-Chia	1	1	0	0	646	646	0	0	647	647	0	0	0	0	0	0	0	0	647	647	0.06%	0.06%	
Independent Director	Cheng, Wen-Cheng	1	1	0	0	646	646	60	60	707	707	0	0	0	0	0	0	0	0	707	707	0.06%	0.06%	None
	Chuang, Bor-Nian	0	0	0	0	646	646	60	60	706	706	0	0	0	0	0	0	0	0	706	706	0.06%	0.06%	
	Tsai, Yu-Ching	0	0	0	0	646	646	60	60	706	706	0	0	0	0	0	0	0	0	706	706	0.06%	0.06%	

1. Please describe the director's and independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration based on the responsibilities, risks, investment time and other factors:

- (1) According to the articles of association of the Company, the remuneration of the Chairman and Directors shall be determined by the Board of Directors according to the degree of participation in the Company's operations and the value of their contributions, taking into account domestic and foreign industry standards.
- (2) The Company's articles of association also clearly stipulate that no more than 1% (inclusive) of the annual profit will be used as the director's remuneration, and the relevant regulations are handled in accordance with the articles of association of the Company's remuneration committee regulations.
- (3) The remuneration of the Independent Directors of the Company, in addition to the director's remuneration provided according to the Company's operation and profit status, attends to receive a fixed Traveling expenses according to the actual number of attendance.

2. In addition to the disclosure in the above table, the remuneration received by the Directors of the Company for providing equity affairs (such as acting as a consultant to the parent Company/all companies in the financial statements/non-employee reinvestment enterprises, etc.) Last year: None.

APEX DYNAMICS, INC.

Annual Related Party Transaction Report for 2024 【Appendix 4】

According to Article 19 of the Company's "Corporate Governance Best Practice Principles", individuals or entities engaging in financial transactions with related parties or shareholders should establish written regulations based on the principles of fairness and reasonableness regarding financial transactions between them. Moreover, significant transactions should be approved by the Board of Directors and reported to the Shareholders' Meeting for consent or notification. All related party transactions in 2024 were disclosed in the individual and consolidated financial reports, in accordance with the EN Regulations Governing the Preparation of Financial Reports by Securities Issuers. The relevant information on significant transaction matters is disclosed as follows:

1. Stock Trade : No transactions.
2. Sale Trade :

Unit: NT\$1000; %

Name of Transaction object	Related	Transaction Amount	Percentage of total net sale	Accounts receivable outstanding	Percentage of total notes receivable and accounts receivable
APEX DYNAMICS ,INC. - Shanghai	Other Related Parties	253,815	12.90%	29,065	14.91%

Credit period : Monthly Payment term in 10-40 days, the pricing and payment terms for sales transactions with related parties do not significantly differ from those of ordinary customers.

3. Assets acquired or disposal of assets : No transactions.
4. Loaning of Funds :

Unit: NT\$1000; %

Name of Transaction object	Related	Ending balance Lending facilities	The mount of actual expenditures	Interest rate	Percentage of total Consolidated balance
MILLENNIUM VEE HOTEL Co., Ltd.	Subsidiary of the Company	650,000	429,000	1.38%	3.83%

Note : Loan of Funds by the Company and subsidiary, were the collective interests and overall development of our company and its subsidiaries. Deliberation approval and board resolution approval were consideration by the Audit Committee in July 26, 2024. Loan period: Each fund must be repaid within one year from the date of disbursement. Methods of Repayment: Repayment on maturity date or repayment in advance.

5. Endorsement Guarantees : No transactions.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of APEX Company :

Opinion

We have audited the consolidated financial statements of APEX Company and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note.4 (13) "Revenue" and Note.6 (20) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

APEX DYNAMICS, INC. and its subsidiaries sell precision gearbox, precision mechanical parts, etc. Operating revenue is recognized according to the individual sales contract at the time of the transfer of control of the commodity, and the control transfer of the commodity is identified according to the trading conditions of the individual sales contract, and the revenue from sales is

recognized accordingly. In addition, APEX Company a listed company, in order to meet the expectations of investors, the Company has pressured to maintain revenue and stable profits. Therefore, whether the timing of revenue recognition is correct has a significant impact on the financial statements, so the test of revenue recognition is one of the important evaluation items for the accountant to perform the financial report review of Consolidated Company.

- Check external vouchers and account records to confirm whether the payment is consistent with the transaction partner.
- Compare the difference between the sales revenue of the top 10 sales customers and the same period last year to assess whether there are any material anomalies.
- Perform a cut-off test for a period of the time before and after the balance sheet date.
- Realize the main type of revenue, contract terms, and transaction conditions to evaluate whether the accounting policies for revenue recognition timing are appropriate.
- Sample and review sales contracts or order on a sample basis, evaluate the impact of contract terms and transaction conditions on revenue recognition, and confirm if the accounting treatments are appropriate.

2. Assessment of Inventory

The accounting principle of inventory, refer to consolidated financial statements Note.4 (8)“inventory”, the assessment of accounting estimate and assumption uncertainty, refer to consolidated financial statements Note.5; the explanation of inventory assessment refers to consolidated financial statements Note.6 (5).

Description of key audit matter:

The inventory of APEX DYNAMICS, INC. is measured at the lower of cost and net realizable value. Due to the uncertainty caused by market demand fluctuations, there is a risk that the cost of inventory may exceed its net realizable value. The assessment of the net realizable value of inventory involves significant judgments and estimates by management, making the valuation of inventory one of the important assessment matters for this auditor in conducting the audit of the consolidated financial statements.

The accountant's main audit procedures for the above key audit matters include:

- Analyze the amount of inventory depreciation between years and understand the reasons for the differences.
- Check the form to verify the correctness of inventory age classification.
- Verify the rationality of the basic assumptions used in calculating the net realisable value to verify the rationality of the provision of depreciation losses.
- Conduct inventory draws at the end of the year to confirm and evaluate whether the inventory is obsolete or damaged.

Other Matter

APEX Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group's financial reporting process.

Auditors' 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor believes that there is significant uncertainty regarding these events or circumstances, they must alert users of the consolidated financial statements in the audit report to pay attention to the relevant disclosures in the consolidated financial statements, or amend the audit opinion if these disclosures are deemed

inappropriate. 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 (Include relevant notes), structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Tsu-Hsin, Chang and Cheng Hsueh, Chen.

KPMG

Taipei, Taiwan (Republic of China)

February 21 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

APEX DYNAMICS, INC. and Subsidiaries

Consolidated Balance Sheet

(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note.6(1))	\$ 3,387,458	30	4,117,336	38	2130	Current contract liabilities (Note.6 (20))	\$ 27,961	-	27,680	-
1110	Current financial assets at fair value through profit or loss	183	-	187	-	2170	Accounts payable	78,200	1	67,764	1
1150	Notes receivable, net (Note.6(3))	4,153	-	2,294	-	2200	Other payables	175,786	2	129,894	1
1170	Accounts receivable, net (Note.6(3))	170,272	2	207,632	2	2230	Current tax liabilities	157,476	1	208,431	2
1180	Accounts receivable due from related parties, net (Notes.6(3)and7)	29,065	-	23,140	-	2280	Current lease liabilities (Note.6(13))	24,475	-	31,978	-
1200	Other receivables, net (Note.6(4))	6,529	-	36,176	-	2300	Other Current Liabilities (Note.6 (12)(14))	<u>5,575</u>	-	<u>7,192</u>	-
1220	Current tax assets	1,304	-	1,238	-	Total Current Liabilities		<u>469,473</u>	<u>4</u>	<u>472,939</u>	<u>4</u>
130X	Inventory(Note.6(5))	1,758,101	16	1,659,230	15	Non-Current Liabilities:					
1410	Prepayments (Note.6(6))	7,213	-	9,049	-	2570	Deferred tax liabilities (Note.6(17))	6	-	-	-
1476	Other current financial assets (Note.6(10) and 8)	1,719,263	15	498,012	5	2580	Non-current lease liabilities (Note.6(13))	525,146	5	547,081	5
1479	Other current assets, others (Note.6(10))	<u>320</u>	-	<u>34</u>	-	2630	Long-term deferred revenue (Note.6(14))	5,056	-	5,377	-
Total current assets		<u>7,083,861</u>	<u>63</u>	<u>6,554,328</u>	<u>60</u>	2645	Guarantee deposits received (Note.6(12))	<u>2,077</u>	-	<u>2,077</u>	-
Non-current assets:						Total Non-Current Liabilities		<u>532,285</u>	<u>5</u>	<u>554,535</u>	<u>5</u>
1600	Property, plant and equipment (Note.6(7) 8 and 9)	3,317,028	30	3,516,988	33	Total Liabilities		<u>1,001,758</u>	<u>9</u>	<u>1,027,474</u>	<u>9</u>
1755	Right-of-use asset (Note.6(8))	511,396	5	545,877	5	Equity-Parent Company (Note.6(18))					
1780	Intangible assets (Note.6(9))	223,116	2	223,739	2	3100	Capital stock	801,714	7	801,714	7
1840	Deferred tax assets (Note.6(17))	14,294	-	15,393	-	3200	Capital surplus	1,203,942	11	1,364,285	13
1920	Guarantee deposits paid (Note.6(10))	2,069	-	2,019	-	3300	Retained earnings	<u>8,183,558</u>	<u>73</u>	<u>7,690,910</u>	<u>71</u>
1990	Other non-current assets, others (Note.6 (10))	<u>39,208</u>	-	<u>26,039</u>	-	Total equity		<u>10,189,214</u>	<u>91</u>	<u>9,856,909</u>	<u>91</u>
Total Non-current assets		<u>4,107,111</u>	<u>37</u>	<u>4,330,055</u>	<u>40</u>	Total Liabilities and Equity		<u>\$11,190,972</u>	<u>100</u>	<u>\$ 10,884,383</u>	<u>100</u>
Total assets		<u>\$11,190,972</u>	<u>100</u>	<u>10,884,383</u>	<u>100</u>						

The accompanying notes are an integral part of the consolidated financial statements.

APEX DYNAMICS, INC. and Subsidiaries
Consolidated Statements of Comprehensive Income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Operating revenue (Note.6(20) and 7)	\$ 2,958,991	100	2,686,956	100
5000 Operating costs (Note.6(5) (7) (8) (13) (16) (21))	<u>1,346,459</u>	<u>46</u>	<u>1,195,994</u>	<u>45</u>
Gross profit (loss) from operations	<u>1,612,532</u>	<u>54</u>	<u>1,490,962</u>	<u>55</u>
Operating Expense (Note.6(7) (8) (9) (13) (16) (21) and7):				
6100 Selling expenses	36,088	1	30,662	1
6200 Administrative expenses	542,444	18	522,568	19
6300 Research and develop expenses	<u>39,120</u>	<u>1</u>	<u>31,967</u>	<u>1</u>
Total operating expenses	<u>617,652</u>	<u>20</u>	<u>585,197</u>	<u>21</u>
Net operating income	<u>994,880</u>	<u>34</u>	<u>905,765</u>	<u>34</u>
Non-operating income and expenses (Note.6(22)):				
7100 Interest income	138,719	5	153,428	6
7010 Other income	12,686	-	6,021	-
7020 Other gains and losses, net (Note.6(23))	271,519	9	33,757	1
7050 Finance costs, net (Note.6(13))	<u>(6,124)</u>	<u>-</u>	<u>(6,431)</u>	<u>-</u>
Total non-operating income and expenses	<u>416,800</u>	<u>14</u>	<u>186,775</u>	<u>7</u>
7900 Profit (loss) from continuing operations before tax	1,411,680	48	1,092,540	41
7950 Total tax expense (Note.6(17))	<u>277,661</u>	<u>10</u>	<u>219,383</u>	<u>8</u>
Profit (loss)	<u>1,134,019</u>	<u>38</u>	<u>873,157</u>	<u>33</u>
8300 Other comprehensive income, net	-	-	-	-
8500 Total comprehensive income	<u>\$ 1,134,019</u>	<u>38</u>	<u>\$ 873,157</u>	<u>33</u>
Profit (loss), attributable to:				
Shareholders of the parent	\$ 1,134,019	38	873,157	33
Non-controlling interests	-	-	-	-
	<u>\$ 1,134,019</u>	<u>38</u>	<u>873,157</u>	<u>33</u>
Total comprehensive profit and loss belongs to:				
Shareholders of the parent	\$ 1,134,019	38	873,157	33
Non-controlling interests	-	-	-	-
	<u>\$ 1,134,019</u>	<u>38</u>	<u>873,157</u>	<u>33</u>
Earnings per share (Note.6(19))				
9750 Basic earnings per share (NT\$)	<u>\$ 14.15</u>		<u>10.89</u>	
9850 Diluted earnings per share (NT\$)	<u>\$ 14.14</u>		<u>10.89</u>	

The accompanying notes are an integral part of the consolidated financial statements.

APEX DYNAMICS, INC. and Subsidiaries
Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

	Ownership interest - Attributable to the Parent Company					
			Retained Earnings			
	Share Capital	Additional Paid-In Capital	Legal Reserve	Undistributed Earnings	Total	Total Equity
Balance at January 1, 2023	\$ 801,714	1,524,628	869,843	6,589,281	7,459,124	9,785,466
Profit	-	-	-	873,157	873,157	873,157
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	873,157	8,332,281	10,658,623
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	112,409	(112,409)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from Capital surplus	-	(160,343)	-	-	-	(160,343)
	-	(160,343)	112,409	(753,780)	(641,371)	(801,714)
Balance at December 31, 2023	\$ 801,714	1,364,285	982,252	6,708,658	7,690,910	9,856,909
Balance at January 1, 2024	\$ 801,714	1,364,285	982,252	6,708,658	7,690,910	9,856,909
Profit	-	-	-	1,134,019	1,134,019	1,134,019
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	1,134,019	1,134,019	1,134,019
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	87,316	(87,316)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from Capital surplus	-	(160,343)	-	-	-	(160,343)
	-	(160,343)	87,316	(728,687)	(641,371)	(801,714)
Balance at December 31, 2024	\$ 801,714	1,203,942	1,069,568	7,113,990	8,183,558	10,189,214

The accompanying notes are an integral part of the consolidated financial statements.

APEX DYNAMICS, INC. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 1,411,680	1,092,540
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	294,454	309,115
Amortization expense	658	867
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4	(60)
Interest expense	6,124	6,431
Interest income	(138,719)	(153,428)
Dividend income	(18)	(11)
Loss (gain) on disposal of property, plant and equipment		(1,050)
Total adjustments to reconcile profit (loss)	162,503	161,864
Changes in operating assets and liabilities:		
Changes in operating assets		
Decrease (increase) in notes receivable	(1,859)	(309)
Decrease (increase) in accounts receivable	37,360	105,946
Decrease (increase) in accounts receivable due from related parties	(5,925)	42,673
Decrease (increase) in other receivable	1,978	(21)
Adjustments for decrease (increase) in inventories	(98,871)	(197,757)
Decrease (increase) in prepayments	1,836	2,431
Adjustments for decrease (increase) in other current assets	(286)	247
Total change in operating assets	(65,767)	(46,790)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	281	(3,469)
Increase (decrease) in accounts payable	10,436	(43,987)
Increase (decrease) in other payables	29,830	(19,625)
Adjustments for increase (decrease) in other current liabilities	(1,938)	664
Total changes in operating liabilities	38,609	(66,417)
Total changes in operating assets and liabilities	(27,158)	(113,207)
Total adjustments	135,345	48,657
Cash inflow (outflow) generated from operations	1,547,025	1,141,197
Interest received	166,388	135,279
Dividends received	18	11
Interest paid	(6,124)	(6,431)
Income taxes refund (paid)	(327,577)	(262,129)
Net cash flows from (used in) operating activities	1,379,730	1,007,927
Cash flows from (used in) Investing Activities		
Acquisition of property, plant and equipment	(25,154)	(68,681)
Proceeds from disposal of property, plant and equipment	-	1,300
Increase in refundable deposits	(50)	-
Acquisition of intangible assets	(35)	(324)
Decrease in other financial assets	(1,221,251)	1,584,402
Increase in other non-current assets	(29,196)	(10,665)
Net cash flows from (used in) investing activities	(1,275,686)	1,506,032
Cash flows from (used in) financing activities:		
Increase in short-term loans	150,000	180,000
Decrease in short-term loans	(150,000)	(180,000)
Increase (decrease) in guarantee deposits received	-	1,849
Payments of lease liabilities	(32,208)	(51,297)
Cash dividends paid	(801,714)	(801,714)
Net cash flows from (used in) financing activities	(833,922)	(851,162)
Net increase in cash and cash equivalents	(729,878)	1,662,797
Cash and cash equivalents at beginning of period	4,117,336	2,454,539
Cash and cash equivalents at end of period	\$ 3,387,458	4,117,336

The accompanying notes are an integral part of the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of APEX Company:

Opinion

We have audited the financial statements of APEX Company (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company only financial statements of the current period. These matters were addressed in the context of our audit of the Parent Company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note.4 (13) “Revenue” and Note.6 (21) “Revenue from contracts with customers” to the Parent Company only financial statements.

Description of key audit matter:

APEX DYNAMICS, INC sells precision gearbox, precision mechanical parts, etc. Operating revenue is recognized according to the individual sales contract at the time of the transfer of control of the commodity, and the control transfer of the commodity is identified according to the trading conditions of the individual sales contract, and the revenue from sales is recognized accordingly. In addition, APEX DYNAMICS, INC is a listed company, in order to meet the expectations of investors, the Company has pressured to maintain revenue and stable profits. Therefore, whether the timing of revenue recognition is correct has a significant impact on the financial statements, so the test of revenue recognition is one of the important evaluation items for the accountant to perform the financial statements review of APEX DYNAMICS, INC.

- Check external vouchers and account records to confirm whether the payment is consistent with the transaction partner.
- Compare the difference between the sales revenue of the top 10 sales customers and the same period last year to assess whether there are any material anomalies.
- Perform a cut-off test for a period of the time before and after the balance sheet date.
- Realize the main type of revenue, contract terms, and transaction conditions to evaluate whether the accounting policies for revenue recognition timing are appropriate.
- Sample and review sales contracts or order on a sample basis, evaluate the impact of contract terms and transaction conditions on revenue recognition, and confirm if the accounting treatments are appropriate.

2. Assessment of Inventory

The accounting principle of inventory, refer to the Parent Company only financial statements Note.4 (7)“inventory”, the assessment of accounting estimate and assumption uncertainty, refer to the Parent Company only statements Note.5; the explanation of inventory assessment refers to the Parent Company only financial statements Note.6 (5).

Description of key audit matter:

The inventory of APEX DYNAMICS, INC. is measured at the lower of cost and net realizable value. Due to the uncertainty caused by market demand fluctuations, there is a risk that the cost of inventory may exceed its net realizable value. The assessment of the net realizable value of inventory involves significant judgments and estimates by management, making the valuation of inventory one of the important assessment matters for this auditor in conducting the audit of the consolidated financial statements.

The accountant's main audit procedures for the above key audit matters include:

- Analyze the amount of inventory depreciation between years and understand the reasons for the differences.
- Check the form to verify the correctness of inventory age classification.
- Verify the rationality of the basic assumptions used in calculating the net realisable value to verify the rationality of the provision of depreciation losses.
- Conduct inventory draws at the end of the year to confirm and evaluate whether the inventory is obsolete or damaged.

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

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

In preparing the financial statements, management is 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 or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, if we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Tsu-Hsin, Chang and Cheng Hsueh, Chen.

KPMG

Taipei, Taiwan (Republic of China)

February 21 2025

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

APEX DYNAMICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets					Liabilities and Equity						
Current assets:					Current liabilities:						
1100	Cash and cash equivalents (Note.6(1))	\$ 3,319,809	31	4,069,927	39	2130	Current contract liabilities (Note.6 (21))	\$ 3,955	-	1,028	-
1110	Current financial assets at fair value through profit or loss (Note.6(2))	183	-	187	-	2170	Accounts payable	63,288	1	53,481	1
1150	Notes receivable, net (Note.6(3))	4,153	-	2,294	-	2200	Other payables	120,301	1	84,838	1
1170	Accounts receivable, net (Note.6(3))	161,450	2	198,320	2	2220	Other payables-Related person (Note.7)	111	-	123	-
1180	Accounts receivable due from related parties, net (Notes.6(3) and 7)	29,065	-	23,140	-	2230	Current tax liabilities	157,476	1	208,431	2
1200	Other receivables, net (Note.6(4))	6,408	-	33,563	-	2280	Current lease liabilities (Note.6(14))	8,582	-	17,177	-
1210	Other receivables due from related parties, net (Notes.6(4) and 7)	429,514	4	499,598	5	2300	Other Current Liabilities (Note.6 (13)(15))	<u>2,774</u>	-	<u>2,751</u>	-
1220	Current tax assets	1,260	-	1,213	-	Total Current Liabilities					
130X	Inventory(Note.6(5))	1,754,165	16	1,655,482	16			<u>356,487</u>	<u>3</u>	<u>367,829</u>	<u>4</u>
1410	Prepayments (Note.6(6))	3,150	-	4,886	-	Non-Current Liabilities:					
1476	Other current financial assets (Note.6(11) and 8)	1,671,586	16	479,577	5	2580	Non-current lease liabilities (Note.6(14))	88,421	1	94,463	1
1479	Other current assets, others (Note.6(11))	<u>314</u>	-	<u>-</u>	-	2630	Long-term deferred revenue (Note.6(15))	5,056	-	5,377	-
Total current assets						2645	Guarantee deposits received (Note.6(13))	<u>1,899</u>	-	<u>1,899</u>	-
		<u>7,381,057</u>	<u>69</u>	<u>6,968,187</u>	<u>67</u>	Total Non-Current Liabilities					
Non-current assets:								<u>95,376</u>	<u>1</u>	<u>101,739</u>	<u>1</u>
1550	Investments accounted for using equity method (Note.6(7))	905,903	9	844,916	8	Total Liabilities					
1600	Property, plant and equipment (Note.6(8). 8 and 9)	2,212,175	21	2,361,216	23			<u>451,863</u>	<u>4</u>	<u>469,568</u>	<u>5</u>
1755	Right-of-use asset (Note.6(9))	94,038	1	108,724	1	Equity (Note.6(19))					
1780	Intangible assets (Note.6(10))	1,579	-	2,095	-	3100	Capital stock	801,714	8	801,714	8
1840	Deferred tax assets (Note.6(18))	14,294	-	15,388	-	3200	Capital surplus	1,203,942	11	1,364,285	13
1920	Guarantee deposits paid (Note.6(11))	183	-	183	-	3300	Retained earnings	<u>8,183,558</u>	<u>77</u>	<u>7,690,910</u>	<u>74</u>
1990	Other non-current assets, others (Note.6 (11))	<u>31,848</u>	-	<u>25,768</u>	<u>1</u>	Total equity					
Total Non-current assets								<u>10,189,214</u>	<u>96</u>	<u>9,856,909</u>	<u>95</u>
		<u>3,260,020</u>	<u>31</u>	<u>3,358,290</u>	<u>33</u>	Total Liabilities and Equity					
Total assets								<u>\$ 10,641,077</u>	<u>100</u>	<u>10,326,477</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company only financial statements.

APEX DYNAMICS, INC.

Parent Company Only Statements Of Comprehensive Income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2024		2023	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note.6(21) and 7)	\$ 2,379,960	100	2,132,246	100
5000	Operating costs (Note.6(5) (8) (9) (10) (14) and (22))	<u>1,184,853</u>	<u>50</u>	<u>1,043,625</u>	<u>49</u>
	Gross profit (loss) from operations	<u>1,195,107</u>	<u>50</u>	<u>1,088,621</u>	<u>51</u>
	Operating Expenses (Note.6(8) (9) (10) (14)(22) and7):				
6100	Selling expenses	36,088	1	30,662	1
6200	Administrative expenses	195,917	8	191,259	9
6300	Research and development expenses	<u>39,120</u>	<u>2</u>	<u>31,967</u>	<u>2</u>
	Total operating expenses	<u>271,125</u>	<u>11</u>	<u>253,888</u>	<u>12</u>
	Net operating income	<u>923,982</u>	<u>39</u>	<u>834,733</u>	<u>39</u>
	Non-operating income and expenses (Note.6(23)):				
7100	Interest income (Note.7)	144,579	6	158,610	8
7010	Other income	12,189	1	5,571	-
7020	Other gains and losses, net (Note.6(24))	271,121	11	29,610	1
7050	Finance costs, net (Note.6(14))	(1,189)	-	(1,333)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>60,987</u>	<u>2</u>	<u>65,354</u>	<u>3</u>
	Total non-operating income and expenses	<u>487,687</u>	<u>20</u>	<u>257,812</u>	<u>12</u>
7900	Profit (loss) from continuing operations before tax	1,411,669	59	1,092,545	51
7950	Total tax expense (Note.6(18))	<u>277,650</u>	<u>11</u>	<u>219,388</u>	<u>10</u>
	Profit (loss)	<u>1,134,019</u>	<u>48</u>	<u>873,157</u>	<u>41</u>
8300	Other comprehensive income, net	-	-	-	-
8500	Total comprehensive income	<u>\$ 1,134,019</u>	<u>48</u>	<u>873,157</u>	<u>41</u>
	Earnings per share (Note 6(20))				
9750	Basic earnings per share (NT\$)	\$ <u>14.15</u>		<u>10.89</u>	
9850	Diluted earnings per share (NT\$)	\$ <u>14.44</u>		<u>10.89</u>	

The accompanying notes are an integral part of the Parent Company only financial statements.

APEX DYNAMICS, INC.

Parent Company Only Statements Of Changes In Equity

(In Thousands of New Taiwan Dollars)

			Retained earnings			Total Equity
	Ordinary shares	Capital surplus	Legal reserve	Undistributed earnings	Total	
Balance at January 1, 2023	\$ 801,714	1,524,628	869,843	6,589,281	7,459,124	9,785,466
Profit				873,157	873,157	873,157
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	873,157	873,157	873,157
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	112,409	(112,409)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from Capital surplus	-	(160,343)	-	-	-	(160,343)
Balance at December 31, 2023	\$ 801,714	1,364,285	982,252	6,708,658	7,690,910	9,856,909
Balance at January 1, 2024	\$ 801,714	1,364,285	982,252	6,708,658	7,690,910	9,856,909
Profit				1,134,019	1,134,019	1,134,019
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	1,134,019	1,134,019	1,134,019
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	87,316	(87,316)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from Capital surplus	-	(160,343)	-	-	-	(160,343)
Balance at December 31, 2024	\$ 801,714	1,203,942	1,069,568	7,113,990	8,183,558	10,189,214

The accompanying notes are an integral part of the Parent Company only financial statements.

APEX DYNAMICS, INC.

Parent Company Only Statements Of Cash Flows

(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 1,411,669	1,092,545
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	218,087	233,321
Amortization expenses	551	839
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4	(60)
Interest expenses	1,189	1,333
Interest incomes	(144,579)	(158,610)
Dividend incomes	(18)	(11)
Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method	(60,987)	(65,354)
Loss (gain) on disposal of property, factory and equipment	-	(1,050)
Total adjustments to reconcile profit (loss)	<u>14,247</u>	<u>10,408</u>
Changes in operating assets and liabilities:		
Changes in operating assets		
Decrease (increase) in notes receivable	(1,859)	(309)
Decrease (increase) in notes receivable	36,870	108,646
Decrease (increase) in accounts receivable due from related parties	(5,925)	42,673
Decrease (increase) in other receivable	(559)	2,561
Adjustments for decrease (increase) in inventories	(98,683)	(197,375)
Decrease (increase) in prepayments	1,736	136
Adjustments for decrease (increase) in other current assets	(314)	-
Total change in operating assets	<u>(68,734)</u>	<u>(43,668)</u>
Changes in operating liabilities		
Increase (decrease) in contract liabilities	2,927	(2,750)
Increase (decrease) in accounts payable	9,807	(44,510)
Increase (decrease) in Other payables	19,400	(16,731)
Increase in other payables – related parties	(12)	58
Adjustments for increase (decrease) in other current liabilities	(298)	333
Total changes in operating liabilities	<u>31,824</u>	<u>(63,600)</u>
Total changes in operating assets and liabilities	<u>(36,910)</u>	<u>(107,268)</u>
Total adjustments	<u>(22,663)</u>	<u>(96,860)</u>
Cash inflow (outflow) generated from operations	1,389,006	995,685
Interest received	172,377	140,253
Dividends received	18	11
Interest paid	(1,189)	(1,333)
Income taxes refund (paid)	(327,558)	(262,108)
Net cash flows from (used in) operating activities	<u>1,232,654</u>	<u>872,508</u>
Cash Flows from (used in) Investing Activities		
Acquisition of property, plant and equipment	(19,500)	(45,518)
Proceeds from disposal of property, plant and equipment	-	1,300
Decrease (increase) in other receivable- related parties	70,000	97,000
Acquisition of intangible assets	(35)	-
Decrease in other financial assets	(1,192,009)	1,581,992
Increase in other non-current assets	(22,107)	(10,393)
Net cash flows from (used in) investing activities	<u>(1,163,651)</u>	<u>1,624,381</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in guarantee deposits received	-	1,899
Payments of lease liabilities	(17,407)	(16,992)
Cash dividends paid	(801,714)	(801,714)
Net cash flows from (used in) financing activities	<u>(819,121)</u>	<u>(816,807)</u>
Net increase in cash and cash equivalents	(750,118)	1,680,082
Cash and cash equivalents at beginning of period	4,069,927	2,389,845
Cash and cash equivalents at end of period	<u>\$ 3,319,809</u>	<u>4,069,927</u>

The accompanying notes are an integral part of the Parent Company only financial statements.

APEX DYNAMICS, INC.

Disposition of Net Income

【Appendix 7】

2024

	Unit: NT\$
Item	Amount
1. Available for distribution	
(1) Accumulated surplus	5,979,970,161
(2) Net Operating Profit After Tax of this year	1,134,019,384
(3) Minus: Legal Reserve	(113,401,938)
Total:	<u>7,000,587,607</u>
2. Assign items	
(1) Shareholder cash dividends 80,171,351 shares * NT\$8 per share	(641,370,808)
Total:	<u>(641,370,808)</u>
3. Undistributed earnings	<u>6,359,216,799</u>

Chairman
Chang, Chung-Hsing

General Manager
Kuo, Chung-Che

Financial Supervisor
Hung, Hsiu-Min

APEX DYNAMICS, INC.

【Appendix 8】

Amendment Comparison Table of "Articles of Incorporation of the Company"

Number	Previous Article Text	Revised Article Text	Amendment Explanation
30	<p>If the Company makes profits in the year, no less than 0.5% (inclusive) should be appropriated as employee remuneration, and not more than 1% (inclusive) is the director's remuneration, however, when the Company still has accumulated losses, it should reserve the compensation amount in advance.</p> <p>The recipients of the employee remuneration in the preceding paragraph may include the employees of the controlling or subordinate companies who meet certain conditions. Employee remuneration can be distributed in the form of stock (treasury stock, issuance of new stock) or cash, which should be specially resolved by the Board of Directors and submitted to the Shareholders' Meeting Report.</p>	<p>If the Company makes profits in the year, no less than 0.5% (inclusive) should be appropriated as employee remuneration, and not more than 1% (inclusive) is the director's remuneration, however, when the Company still has accumulated losses, it should reserve the compensation amount in advance.</p> <p>The recipients of the employee remuneration in the preceding paragraph may include the employees of the controlling or subordinate companies who meet certain conditions, <u>and at least 80% of employee compensation should be allocated to grassroots employees under the conditions set by the</u> Board of Directors. Employee remuneration can be distributed in the form of stock (treasury stock, issuance of new stock) or cash, which should be specially resolved by the Board of Directors and submitted to the Shareholders' Meeting Report.</p>	<p>Revised to comply with the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act.</p>
33	<p>This charter was established on October/19/1999.</p> <p>First revised was on April/15/2000.</p> <p>Second revised was on June/30/2000.</p> <p>Third revised was on May/13/2002.</p> <p>Fourth revised was on October/02/2002.</p> <p>Fifth revised was on February/07/2003.</p> <p>Sixth revised was on June/28/2005.</p> <p>Seventh revised was on June/09/2006</p> <p>Eighth revised was on February/20/2009.</p> <p>Ninth revised was on March/03/2009</p> <p>Tenth revised was on March/27/2009.</p> <p>Eleventh revised was on May/18/2012.</p> <p>Twelfth revised was on May/18/2012</p> <p>Thirteenth revised was on May/24/2016.</p> <p>Fourteenth revised was on August/21/2020.</p> <p>Fifteenth revised was on July/01/2021.</p> <p>Sixteenth revised was on June/17/2022.</p>	<p>This charter was established on October/19/1999.</p> <p>First revised was on April/15/2000.</p> <p>Second revised was on June/30/2000.</p> <p>Third revised was on May/13/2002.</p> <p>Fourth revised was on October/02/2002.</p> <p>Fifth revised was on February/07/2003.</p> <p>Sixth revised was on June/28/2005.</p> <p>Seventh revised was on June/09/2006</p> <p>Eighth revised was on February/20/2009.</p> <p>Ninth revised was on March/03/2009</p> <p>Tenth revised was on March/27/2009.</p> <p>Eleventh revised was on May/18/2012.</p> <p>Twelfth revised was on May/18/2012</p> <p>Thirteenth revised was on May/24/2016.</p> <p>Fourteenth revised was on August/21/2020.</p> <p>Fifteenth revised was on July/01/2021.</p> <p>Sixteenth revised was on June/17/2022.</p> <p><u>Seventeenth revised was on May/23/2025.</u></p>	

APEX DYNAMICS, INC.

Procedures for Derivative Trading

【Appendix 9】

1. Purpose

To effectively manage the risks arising from derivative transactions conducted by our Company, this procedure is established. Any unaddressed matters shall be handled in accordance with relevant regulations.

2. Transaction Types

This procedure refers to derivative products whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables, such as forward contracts, option contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of the above contracts, or structured products or combination contracts embedded with derivative products. Forward contracts do not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sale) contracts.

3. Operational or Hedging Strategies

Derivative transactions should prioritize risk mitigation to ensure the Company's operational profitability, primarily focusing on hedging against risks arising from fluctuations in exchange rates, interest rates, or asset prices.

4. Responsibility Allocation

4.1 The Company engages in derivative trading, with the Board of Directors authorizing the Chairman to be responsible for assessing, monitoring, controlling, authorizing, and reviewing risk assessments and evaluation reports on a regular basis. Trading, confirmation, and settlement personnel must be in different departments.

4.2 The Financial Department is the unit responsible for executing derivative transactions, encompassing the following functions:

4.2.1 Gathering market information, analyzing trends and risks, understanding financial products and related regulations, and mastering trading techniques. Transactions are conducted based on the instructions and authorized positions of the relevant supervisor to mitigate market price fluctuations.

4.2.2 Assigning trading and settlement personnel as needed, with the Financial Supervisor responsible for confirming transactions with counterparties. Settlement personnel are responsible for arranging settlement procedures at maturity. Personnel performing these tasks must not be concurrently responsible for other tasks.

4.2.3 Regular evaluations.

4.2.4 Providing information on risk exposure positions.

4.2.5 Regular reporting and disclosure.

4.3 Audit Unit: Regular audits of compliance with the procedures.

5. Performance Evaluation

The performance of hedging operations is evaluated based on the hedging strategy.

6. Total Contract Amount and Upper Limits on Losses for Individual and Total Contracts

6.1 Hedging Operations:

6.1.1 The total amount of hedging contracts for the Company shall not exceed 10% of the Company's net asset value.

6.1.2 For derivative transactions, the total or individual contract loss limit shall not exceed 20% of the total or individual contract amount.

6.2 Trading Operations: The Company is prohibited from engaging in derivative transactions that are not for hedging purposes.

7. Operating Procedures

7.1 Authorization Limits and Levels:

7.1.1 The Company's authorized limit for derivative trading is up to 20% of the paid-in capital or within NT\$300 million, to be executed at the discretion of the Chairman as authorized by the Board of Directors. Additionally, the Financial Supervisor is authorized to conduct transactions within the credit limits established with financial institutions.

7.1.2 Transaction authorization limits and levels must be documented. Regardless of the transaction amount, approval must be obtained from both the Financial Supervisor and the Chairman.

7.1.3 Significant derivative transactions must be reviewed and approved by the audit committee and the Board of Directors in accordance with relevant regulations.

7.2 Operational Processes:

7.2.1 Trading Personnel:

7.2.1.1 Responsible for developing overall company strategies for financial product transactions.

7.2.1.2 When derivative transactions are planned based on market conditions and business needs, an application must be submitted for approval by the relevant supervisor before placing orders with the bank.

7.2.2 Confirmation Personnel:

7.2.2.1 Execute transaction confirmations and review whether transactions adhere to authorized limits and established strategies.

7.2.2.2 Conduct regular valuations as required.

7.2.3 Settlement Personnel:

7.2.3.1 Conduct settlements and record details based on transaction confirmations at maturity.

7.2.3.2 Maintain a record book meticulously documenting derivative transactions, including type, amount, approval date, and other relevant factors carefully evaluated. Records must be kept for at least five years in accordance with regulations.

7.2.4 The Company must report the execution status of derivative transactions, as authorized by this procedure, to the Board of Directors in the most recent meeting.

8. Public Reporting Procedures

8.1 The Company shall publicly report, before the tenth of each month, the details of derivative transactions conducted by itself and its subsidiaries up to the end of the previous month, in accordance with relevant regulations.

8.2 In addition to the above, if there is any other matters requiring public reporting under the law, the Company shall comply with the relevant regulations. If the Company is a subsidiary of a non-domestic publicly listed company, it shall also handle the public reporting for such matters.

8.3 If the Company's derivative transactions result in losses exceeding the individual or total contract loss limits specified in these procedures, or if unrealized losses account for more than 3% of the equity attributable to the Parent Company's owners, a significant announcement must be issued two hours before the start of trading on the next business day following the event date.

9. Accounting Treatment

The Company's accounting treatment for derivative transactions follows International Financial Reporting Standards (IFRS) and relevant regulations. Complete accounting records and supporting documents are used to appropriately reflect the transaction process and results, considering the different transaction types and methods. When preparing periodic financial reports, the Company must comply with the relevant regulations of the Financial Supervisory Commission, including IFRS, International Accounting Standards, interpretations, and related announcements.

10. Internal Controls

10.1 Risk Management Measures

10.1.1 Risk Management

10.1.1.1 Credit Risk: The Company's trading counterparties shall primarily be financial institutions with low credit risk and capable of providing professional information.

10.1.1.2 Market Risk: The Company will primarily utilize publicly traded foreign exchange markets provided by banks, and will not currently consider futures markets.

10.1.1.3 Liquidity Risk: To ensure market liquidity, the Company will prioritize financial products with higher liquidity. Custodian trading institutions must possess sufficient information and the capability to execute transactions in any market at any time.

10.1.1.4 Cash Flow Risk: To ensure the safety of operating funds, the Company's funding for derivative transactions shall be limited to its own capital.

10.1.1.5 Operational Risk: Strict adherence to the Company's authorized limits, operational procedures, and internal audits is required to mitigate operational risk.

10.1.1.6 Legal Risk: Any documents signed with banks must be reviewed by the responsible supervisor before final signature to avoid legal risks.

10.1.2 Portfolio Valuation: Positions held in derivative products should be evaluated at least weekly. If the evaluation is for hedging purposes, it should be evaluated at least twice monthly. The evaluation reports should be submitted to the Chairman.

10.2 Board of Directors Oversight

10.2.1 The Board of Directors shall regularly evaluate the performance of derivative transactions to ensure alignment with established business strategies and that the associated risks remain within the Company's acceptable tolerance.

10.2.2 When derivative transactions require board discussion, the proposal must be approved by at least one-half of the members of the audit committee. If not approved by a majority of the audit committee, a supermajority of two-thirds of the board members can approve it. The audit committee's decision must be documented in the board meeting minutes.

10.3 Board of Directors Authorization

10.3.1 The Board of Directors shall regularly evaluate the appropriateness of current risk management measures and ensure compliance with the derivative transaction procedures outlined in this document.

10.3.2 The Board of Directors will monitor trading and profit/loss situations. If unusual circumstances arise, appropriate measures must be taken, and the board must be immediately informed. Independent directors should be present and provide input.

10.3.3 If there are unusual circumstances in the market valuation report (e.g., positions exceeding loss limits), the board must be immediately informed, and appropriate measures must be taken.

11. Internal Audit

11.1 Internal audit personnel shall regularly assess the adequacy of internal controls for derivative transactions and conduct monthly audits of the trading department to review compliance with derivative transaction procedures. They should analyze the transaction cycle and prepare audit reports. If significant violations are found, the audit committee should be notified in writing.

11.2 Internal audit personnel shall submit audit reports, along with the annual internal audit operation review, to the supervisory authority by the end of February of the following year. Furthermore, the corrective actions taken for any unusual matters must be reported to the supervisory authority by the end of May of the following year.

12. Others

12.1 Company managers and officers involved in derivative transactions must adhere to the provisions of this procedure to prevent operational losses. Any violation of relevant laws or this procedure will be subject to disciplinary action according to the Company's personnel regulations.

12.2 For any subsidiary considering engaging in derivative transactions, the Company shall encourage the subsidiary to establish a derivative transaction procedure and submit it for approval by the audit committee, Board of Directors, and/or Shareholders' Meeting before implementation. Subsidiaries engaging in derivative transactions shall regularly provide relevant data to the Company for review.

13. Revision and Implementation

This procedure must be approved by the audit committee, submitted for board approval, and subsequently submitted for shareholder approval before implementation. Any revisions must follow the same process.

APEX DYNAMICS, INC.

【Appendix 10】

Amendment Comparison Table of "Procedures for Asset Acquisition & Disposal"

Number	Previous Article Text	Revised Article Text	Amendment Explanation
Rule Name	Asset Acquisition <u>and</u> Disposition Procedures	Asset Acquisition <u>or</u> Disposition Procedures	Revised Rule Name
2	<p>2. Rational basis</p> <p>This company's "Asset Acquisition and Disposition Procedures" (hereinafter referred to as the "Procedures") are established based on the provisions of Article 36-1 of the Securities Exchange Act and the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the " Regulations ") of the Financial Supervisory Commission (hereinafter referred to as the " Supervisory Commission "). However, if other laws and regulations have specific provisions, those provisions shall prevail.</p>	<p>2. Rational basis</p> <p>This company's "Asset Acquisition <u>or</u> Disposition Procedures" (hereinafter referred to as the "Procedures") are established based on the provisions of Article 36-1 of the Securities Exchange Act and the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the " Regulations ") of the Financial Supervisory Commission (hereinafter referred to as the " Supervisory Commission "). However, if other laws and regulations have specific provisions, those provisions shall prevail. <u>Any matters not addressed in these Procedures shall be handled in accordance with the relevant laws and regulations.</u></p>	
3	<p>3.Asset Scope</p> <p>3.1 Securities: Including stocks, government bonds, corporate bonds, financial bond, securities representing funds, depositary receipts, warrants, beneficial securities, and investment in asset-backed securities.</p> <p>3.2 Real estate <u>(including construction inventory) and other fixed assets.</u></p> <p>3.3 Member certificates</p> <p>3.4 Intangible assets: including patents, copyrights, trademarks, and other intangible assets.</p>	<p>3.Asset Scope</p> <p>3.1 Securities: Including stocks, government bonds, corporate bonds, financial bond, securities representing funds, depositary receipts, warrants, beneficial securities, and investment in asset-backed securities.</p> <p>3.2 Real estate <u>(including land, buildings, and construction, investment properties) and equipment.</u></p> <p>3.3 Member certificates</p> <p>3.4 Patents, copyrights, trademarks, and other intangible assets.</p>	Expanded Asset Scope

Number	Previous Article Text	Revised Article Text	Amendment Explanation
3	<p><u>3.5</u> Financial institution receivables (including accounts receivable, foreign exchange discounts and loans, collection accounts)</p> <p><u>3.6</u> Derivatives.</p> <p><u>3.7</u> Assets acquired or disposed of through legal mergers, divisions, acquisitions, or share transfers.</p> <p><u>3.8</u> Other significant assets.</p>	<p><u>3.5</u> Right-of-use assets</p> <p><u>3.6</u> Financial institution receivables (including accounts receivable, foreign exchange discounts and loans, collection accounts)</p> <p><u>3.7</u> Derivatives.</p> <p><u>3.8</u> Assets acquired or disposed of through legal mergers, divisions, acquisitions, or share transfers.</p> <p><u>3.9</u> Other significant assets.</p>	Expanded Asset Scope
4	<p>4. Definitions</p> <p>4.1 Derivatives: refer to forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, <u>and composite contracts formed by combinations of the aforementioned products</u>, whose value is derived from <u>assets, interest rates, exchange rates, indices, or other commodities</u>. Forward contracts do not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts, and long-term purchase/sales <u>agreements</u>.</p> <p>4.2 Assets acquired or disposed of through legal mergers, divisions, acquisitions, or share transfers: refer to assets acquired or disposed of through mergers, divisions, or acquisitions under the Business Combinations Act, Financial Holding Company Act, Financial Institution Merger Act,</p>	<p>4. Definitions</p> <p>4.1 Derivatives: refer to forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, <u>combinations of these contracts, or structured products or composite contracts embedding derivative instruments</u>, whose value is derived from <u>specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables</u>. Forward contracts do not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts, and long-term purchase/sales <u>contract</u>.</p> <p>4.2 Assets acquired or disposed of through legal mergers, divisions, acquisitions, or share transfers: refer to assets acquired or disposed of through mergers, divisions, or acquisitions under the Business Combinations Act, Financial Holding Company Act, Financial Institution Merger Act,</p>	Amendments to the definition of financial instruments in accordance with International Financial Reporting Standard (IFRS) No.9.

Number	Previous Article Text	Revised Article Text	Amendment Explanation
4	or through the issuance of new shares to acquire another company's shares (hereinafter referred to as share transfer) in accordance with Article 156, <u>paragraph 6</u> of the Company Act.	or other relevant laws, or through the issuance of new shares to acquire another company's shares (hereinafter referred to as share transfer) in accordance with Article 156, <u>paragraph 3</u> of the Company Act.	Amendments issued under the Company Act.
	4.3 Related parties; recognized in accordance with the regulations of the Financial Reporting Standards for Securities Issuers.	4.3 Related parties and <u>subsidiaries</u> : <u>should be</u> recognized in accordance with the regulations of the Financial Reporting Standards for Securities Issuers.	Provisions (Issued)
	4.4 Subsidiaries: recognized in accordance with the regulations of the Financial Reporting Standards for Securities Issuers.		
	<u>4.5</u> Appraiser: refers to a real estate appraiser or other individuals legally authorized to perform real estate or <u>other fixed asset</u> appraisal services.	<u>4.4</u> Appraiser: refers to a real estate appraiser or other individuals legally authorized to perform real estate or <u>equipment</u> appraisal services.	Revised terminology and adjusted article numbers.
	<u>4.6</u> Date of factual occurrence: The earlier of the transaction contract date, payment date, entrustment transaction date, transfer date, Board of Directors' resolution date, or other dates sufficient to determine the counterparty and transaction amount. However, for investors who are subject to the approval of the competent authority, the earlier of the above date or the date of receipt of the competent authority's approval shall prevail.	<u>4.5</u> Date of factual occurrence: The earlier of the transaction contract date, payment date, entrustment transaction date, transfer date, Board of Directors' resolution date, or other dates sufficient to determine the counterparty and transaction amount. However, for investors who are subject to the approval of the competent authority, the earlier of the above date or the date of receipt of the competent authority's approval shall prevail.	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
4	<p>4.7 The term "most recent financial statements" refers to the financial statements that the Company has made public in accordance with the law and have been audited, certified or reviewed by a certified public accountant before acquiring or disposing of assets.</p>	<p><u>4.6 The processing procedure regarding the ten percent of total assets is calculated based on the total asset amount in the most recent individual financial report as stipulated in the Regulations Governing the Preparation of Financial Reports by securities Issuers. The processing procedure regarding the ten percent of total assets is calculated based on the total asset amount in the most recent individual financial report as stipulated in the Financial Reporting Compilation Standards for Securities Issuers.</u></p>	Adjustment of definitions of terms
5	<p>5. Appraisals or opinions from accountants, lawyers, or securities underwriters must not involve any related parties. The professional appraiser, their staff, accountants, lawyers, or securities underwriters, <u>and the parties involved in the transaction must not be related.</u></p>	<p>5. Appraisals or opinions from accountants, lawyers, or securities underwriters <u>must comply with Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</u> These professionals, including their appraisal personnel, accountants, lawyers, or securities underwriters, <u>must meet these requirements.</u></p>	Adjustment of regulations
6	<p>6. Procedures for <u>acquiring or disposing of real estate and other fixed assets</u></p>	<p>6. Procedures for <u>evaluating acquiring or disposing of assets</u></p>	Valuation procedures for reclassification to assets
	<p>6.1 <u>Evaluation and operational procedures</u> The Company acquires or disposes of real estate and other fixed assets in accordance with the Company's internal control system, "Real Estate, Plant and Equipment Recycling Procedure".</p>	<p>6.1 <u>Investment in marketable securities</u></p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
6	<p>6.2 <u>Procedures for determining transaction terms and authorization limits</u></p>	<p>6.2 <u>Real estate, equipment, or rights to use assets</u></p>	<p>Valuation procedures for reclassification to assets</p>
	<p>6.2.1 For acquiring or disposing of real estate, the announced fair value, assessed value, and actual transaction prices of similar nearby properties should be considered to determine the transaction terms and price, and an analysis report should be submitted to the chairman. If the amount exceeds NT\$10 million, it must be submitted to the Chairman for approval; if it exceeds NT\$200 million, it must be submitted to the Board of Directors for approval before it can be done.</p>	<p>6.2.1 For acquiring or disposing of real estate, the announced fair value, assessed value, and actual transaction prices of similar nearby properties should be considered to determine the transaction terms and price, and an analysis report should be submitted to the chairman.</p>	
	<p>6.2.2 For acquiring or disposing of <u>other fixed assets</u>, one of the methods of inquiry, comparison, negotiation, or bidding should be used. If the amount is NT\$10 million or less, the authorization procedures should be followed for approval at each level. If the amount exceeds NT\$10 million, it must be submitted to the Chairman for approval; if it exceeds NT\$200 million, it must be submitted to the Board of Directors for approval before it can be done.</p>	<p>6.2.2 For acquiring or disposing of <u>equipment</u>, one of the methods of inquiry, comparison, negotiation, or bidding should be used, <u>and</u> the authorization procedures should be followed for approval at each level.</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
6	<p>6.2.3 Where the acquisition or disposal of assets by the Company is subject to approval by the Board of Directors in accordance with established procedures or other legal provisions, and any director expresses objection and maintains a record or written statement, The Company shall also submit the director's objection information to the Audit Committee. When presenting the matter for discussion at the board meeting, the opinions of all independent directors must be carefully considered. If any independent director has dissenting or reserved opinions, these must be recorded in the board meeting minutes</p>		Valuation procedures for reclassification to assets
	<p>6.3 Execution Unit When the Company acquires or disposes of real estate or other fixed assets, it shall be approved in accordance with the authority for approval in the preceding paragraph, and the using department, purchasing department and relevant responsible departments shall be responsible for execution.</p>		
	<p>6.4 Real estate or other fixed assets-valuation report For the acquisition or disposal of real estate or <u>other fixed assets</u> by this company, excluding transactions with government agencies, self-constructed land projects, lease-constructed land projects,</p>	<p><u>6.2.3</u> For the acquisition or disposal of real estate, <u>equipment, or rights to use assets</u> by this company, excluding transactions with <u>domestic</u> government agencies, self-constructed land projects, lease-constructed land projects,</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
6	<p>or the acquisition or <u>disposal of machinery and equipment for business use</u>, if the transaction amount exceeds 20% of the Company's registered capital or NT\$300 million, a valuation report from a qualified appraiser must be obtained prior to the effective date of the transaction, and the following regulations must be met.</p>	<p>or the acquisition or <u>disposal of equipment or rights to use equipment for business operations</u>, if the transaction amount exceeds 20% of the Company's registered capital or NT\$300 million, a valuation report from a qualified appraiser must be obtained prior to the effective date of the transaction, and the following regulations must be met:</p>	<p>Valuation procedures for reclassification to assets</p>
	<p><u>6.4.1</u> If, due to special circumstances, a limited price, specific price, or special price is used as a reference for the transaction price, the transaction must first be approved by the Board of Directors. <u>Any future changes to the transaction terms must also follow the above procedure.</u></p>	<p><u>6.2.3.1</u> If, due to special circumstances, a limited price, specific price, or special price is used as a reference for the transaction price, the transaction must first be approved by the Board of Directors. <u>The same applies if there are subsequent changes to the transaction terms.</u></p>	
	<p><u>6.4.2</u> If the transaction amount exceeds NT\$1 billion, appraisals from at least two qualified appraisers are required.</p>	<p><u>6.2.3.2</u> If the transaction amount exceeds NT\$1 billion, appraisals from at least two qualified appraisers are required.</p>	
	<p><u>6.4.3</u> If the appraisal results from qualified appraisers fall into any of the following categories, except when all appraisal results for acquired assets are higher than the transaction amount, or all appraisal results for disposed assets are lower than the transaction amount, a consultation with an accountant is required to provide specific opinions on the reasons for the difference and the appropriateness of the transaction price:</p>	<p><u>6.2.3.3</u> If the appraisal results from qualified appraisers fall into any of the following categories, <u>except</u> when all appraisal results for acquired assets are higher than the transaction amount, or all appraisal results for disposed assets are lower than the transaction amount, a consultation with an accountant is required to provide specific opinions on the reasons for the difference and the appropriateness of the transaction price:</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
6	<p><u>6.4.3.1</u> If the difference between the appraisal result and the transaction amount exceeds 20% of the transaction amount.</p>	<p><u>6.2.3.3.1</u> If the difference between the appraisal result and the transaction amount exceeds 20% of the transaction amount.</p>	Valuation procedures for reclassification to assets
	<p><u>6.4.3.2</u> If the difference between the appraisals of two or more qualified appraisers exceeds 10% of the transaction amount.</p>	<p><u>6.2.3.3.2</u> If the difference between the appraisals of two or more qualified appraisers exceeds 10% of the transaction amount.</p>	
	<p><u>6.4.4</u> The date of the appraisal report issued by the qualified appraiser must not be more than three months after the contract date. However, if the same period's announced fair value applies and the period is less than six months, the original qualified appraiser can issue an opinion letter.</p>	<p><u>6.2.4</u> The date of the appraisal report issued by the qualified appraiser must not be more than three months after the contract date. However, if the same period's announced fair value applies and the period is less than six months, the original qualified appraiser can issue an opinion letter.</p>	
	<p>6.4.5 If the Company acquires or disposes of assets through court auction procedures, it may replace the valuation report or accountant's opinion with a certification document issued by the court.</p>		
7	<p>7. Procedures for acquiring or disposing of <u>securities investments</u></p> <p><u>7.1 Evaluation and operational procedures</u></p> <p>The purchase and sale of long term and short term securities of this Corporation shall be handled in accordance with the investment cycle operation of this Corporation's internal control system.</p>	<p>7. Procedures for acquiring or disposing of <u>assets</u></p> <p><u>7.1 Authorization limits and levels</u></p> <p><u>7.1.1 For any transaction with a value of 20% of the paid-in capital or NT\$300 million or less, the chairman is authorized to decide; for transactions exceeding this amount, the Board of Directors must first approve it.</u></p> <p><u>7.1.2 Significant asset or derivative transactions must be approved by the audit committee and the Board of Directors, in accordance with relevant regulations.</u></p>	Valuation procedures for acquiring or disposing of assets

Number	Previous Article Text	Revised Article Text	Amendment Explanation
7		<p><u>7.1.3 For the acquisition of non-operational real estate and its usage rights, or securities (total amount or individual security limits) that do not meet the above standards, the Board of Directors authorizes the chairman to decide, and the execution details must be reported to the next board meeting.</u></p>	Valuation procedures for acquiring or disposing of assets
	<p><u>7.2 Procedures for determining transaction terms and authorization limits</u></p>	<p><u>7.2 Execution Unit</u> <u>When the Company acquires or disposes of assets, the financial unit and relevant responsible units are responsible for the execution after obtaining approval based on the authorized decision-making power.</u></p>	
	<p><u>7.2.1</u> For securities trading on the centralized exchange market or at a securities dealer's branch, the responsible unit should make decisions based on market conditions. Transactions exceeding NT\$30 million require the chairman's approval. At the same time, an analysis report on unrealized gains or losses of long-term and short-term securities is submitted. Transactions exceeding NT\$200 million require board approval.</p>	<p><u>6.1.1</u> For securities trading on the centralized exchange market or at a securities dealer's branch, the responsible unit should make decisions based on market conditions. At the same time, an analysis report on unrealized gains or losses of long-term and short-term securities is submitted.</p>	The regulations on securities are adjusted to 6.1

Number	Previous Article Text	Revised Article Text	Amendment Explanation
7	<p><u>7.2.2</u> For securities transactions not conducted on the centralized exchange market or at a securities dealer's branch, the target company's most recent audited financial statements must be obtained as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. Transactions exceeding NT\$30 million require the chairman's approval. At the same time, an analysis report on unrealized gains or losses of long-term and short-term securities is submitted. Transactions exceeding NT\$200 million require board approval.</p>	<p><u>6.1.2</u> For securities transactions not conducted on the centralized exchange market or at a securities dealer's branch, the target company's most recent audited financial statements must be obtained as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. At the same time, an analysis report on unrealized gains or losses of long-term and short-term securities is submitted.</p>	The regulations on securities are adjusted to 6.1.
	<p>7.2.3 Where a decision is required to be approved by the Board of Directors pursuant to this procedure or other legal provisions, and any director expresses objection and there is a record or written statement, The Company shall also send the director's objection information to the Audit Committee. When submitting asset acquisition or disposal transactions to the Board of Directors for discussion in accordance with regulations, the opinions of each independent director shall be fully considered, and their opinions and reasons for agreement or opposition shall be recorded in the meeting minutes.</p>		

Number	Previous Article Text	Revised Article Text	Amendment Explanation
7	<p>7.2.4 Long-term and short-term securities investments in assets shall be reasonably valued in accordance with generally accepted accounting principles, and appropriate provisions for impairment losses shall be made. All securities certificates shall be deposited in a safe deposit box by the financial unit after entry into the accounts.</p>		<p>The regulations on securities are adjusted to 6.1.</p>
<p>7.2.5 For all equity investments and convertible corporate bonds, if they are original subscriptions or purchases, The Company shall acquire securities with the Company as the investor within two months from the date on which the investee company is allowed to issue stocks or corporate bonds in accordance with the Company Act. If the acquisition is by assignment, the rights transfer procedures should be completed immediately.</p>			
<p>7.2.6 The amounts mentioned above are cumulative for the same subject matter within one year, and their acquisition and disposal are calculated separately.</p>			
	<p>7.3 <u>Execution Unit</u> <u>For long-term and short-term securities investments, the Finance and Accounting department is responsible for execution after obtaining approval based on the aforementioned decision-making authority.</u></p>	<p>7.3 <u>Transaction Process</u> <u>The transaction process and procedures for acquiring or disposing of assets shall comply with relevant laws and regulations, as well as the Company's internal regulations.</u></p>	<p>The regulations of the implementing unit are adjusted to 7.2</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
7	<p>7.4 Get expert advice</p> <p><u>7.4.1</u> Before acquiring or disposing of securities, The Company must obtain the target company's most recent audited financial statements to assess the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$3 billion or more, an opinion on the reasonableness of the transaction price must be obtained from an accountant before the transaction date. However, this requirement does not apply to securities with publicly traded prices on active markets, or where other regulations from the securities regulatory authority exist.</p> <p>7.4.2 If the Company acquires or disposes of assets through court auction procedures, it may use certification documents issued by the court in place of the valuation report or accountant's opinion.</p>	<p><u>6.1.3</u> Before acquiring or disposing of securities, The Company must obtain the target company's most recent audited financial statements to assess the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$3 billion or more, an opinion on the reasonableness of the transaction price must be obtained from an accountant before the transaction date. However, this requirement does not apply to securities with publicly traded prices on active markets, or where other regulations from the securities regulatory authority exist.</p>	The regulations on securities are adjusted to 6.1
8	<p>8. Related Party Transactions</p> <p>8.1 When the Company and related parties acquire or dispose of assets, in addition to complying with the resolution procedures and evaluating the reasonableness of transaction terms as stipulated in Section 6 and this provision, if the transaction amount exceeds 10% of the Company's total assets, an appraisal report from a professional appraiser or an opinion from an accountant must be obtained, as per Section 6. The calculation of the transaction amount should be conducted according to Section</p>	<p>8. Related Party Transactions</p> <p>8.1 When the Company and related parties acquire or dispose of assets, in addition to complying with the resolution procedures and evaluating the reasonableness of transaction terms as stipulated in Section 6 and this provision, if the transaction amount exceeds 10% of the Company's total assets, an appraisal report from a professional appraiser or an opinion from an accountant must be obtained, as per Section 6. The calculation of the transaction amount should be conducted according to Section</p>	Revised Provisions

Number	Previous Article Text	Revised Article Text	Amendment Explanation
8	<p><u>13.1.5.</u> Furthermore, when determining whether a transaction party is a related party, in addition to considering their legal form, the actual relationship should also be considered.</p>	<p><u>11.1.7.</u> Furthermore, when determining whether a transaction party is a related party, in addition to considering their legal form, the actual relationship should also be considered.</p>	Revised Provisions
	<p><u>8.2.8</u> When presenting the matter for discussion at the board meeting, the opinions of all independent directors must be carefully considered. If any independent director has dissenting or reserved opinions, these must be recorded in the board meeting minutes.</p>	<p><u>8.2.9</u> When presenting the matter for discussion at the board meeting, the opinions of all independent directors must be carefully considered. If any independent director has dissenting or reserved opinions, these must be recorded in the board meeting minutes.</p>	Adjusted article numbers.
	<p>The calculation of the amounts in 8.2.1 to 8.2.8. shall be in accordance with Article 13, and the so-called one year shall be based on the date of occurrence of this transaction, and shall be calculated back one year. The portion that has been submitted to the Board of Directors for approval and recognized by the Audit Committee in accordance with the provisions of this Handling Procedure shall not be included.</p>		8.2 Second paragraph deleted.
	<p>For transactions involving the acquisition or disposal of operational machinery and <u>equipment</u> between the Company and its parent or subsidiary companies, the Board of Directors may, according to this procedure (which should include authorization limits, levels, executing units, and transaction processes), authorize the chairman to act first within a certain limit, and then submit the matter to the next board meeting for subsequent approval.</p>	<p><u>8.2.8</u> For transactions involving the acquisition or disposal of operational <u>equipment or its usage rights</u> between the Company and its parent or subsidiary companies, the Board of Directors may, according to this procedure (which should include authorization limits, levels, executing units, and transaction processes), authorize the chairman to act first within a certain limit, and then submit the matter to the next board meeting for subsequent approval.</p>	8.2 Third paragraph revised to 8.2.8 and Expanded Asset Scope

Number	Previous Article Text	Revised Article Text	Amendment Explanation
8	The calculation of the transaction amount should be conducted according to Section <u>13.1.5</u> of this procedure. [The rest of the text is omitted.]	The calculation of the transaction amount should be conducted according to Section <u>11.1.7</u> of this procedure. [The rest of the text is omitted.]	8.2 Sixth paragraph revised.
	8.3.1 When the Company acquires real estate from a related party, the reasonableness of the transaction costs should be assessed using the following methods. [The rest of the text is omitted.]	8.3.1 When the Company acquires real estate <u>or its usage rights</u> from a related party, the reasonableness of the transaction costs should be assessed using the following methods. [The rest of the text is omitted.]	Expanded Asset Scope
	8.3.3 When the Company acquires real estate from a related party, the cost of the real estate shall be assessed according to provisions 8.3.1 and 8.3.2 of this section, and an independent audit by an accountant should be obtained with a specific opinion.	8.3.3 When the Company acquires real estate <u>or its usage rights</u> from a related party, the cost of the real estate <u>or its usage rights</u> shall be assessed according to provisions 8.3.1 and 8.3.2 of this section, and an independent audit by an accountant should be obtained with a specific opinion.	
	8.3.4 When the Company acquires real estate from a related party and the assessment results based on 8.3.1 and 8.3.2 are lower than the transaction price, the procedure outlined in 8.3.5 of this section should be followed. [The rest of the text is omitted.]	8.3.4 When the Company acquires real estate <u>or its usage rights</u> from a related party and the assessment results based on 8.3.1 and 8.3.2 are lower than the transaction price, the procedure outlined in 8.3.5 of this section should be followed. [The rest of the text is omitted.]	
	8.3.4.1.2 Comparable <u>deal data</u> for other floors or nearby areas of the same property, within one year, from unrelated parties, should show similar transaction sizes and terms. These terms should be considered comparable after evaluating reasonable differences in floor or regional prices according to real estate sales practices.	8.3.4.1.2 Comparable <u>sales data</u> for other floors or nearby areas of the same property, within one year, from unrelated parties, should show similar transaction sizes and terms. These terms should be considered comparable after evaluating reasonable differences in floor or regional prices according to real estate sales <u>or lease</u> practices.	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
8	<p>8.3.4.1.3 Other lease cases of other floors of the same subject real estate by non-related parties within one year, where the transaction conditions are estimated to be equivalent based on reasonable floor price differences according to real estate leasing practices.</p>		Expanded Asset Scope
	<p>8.3.4.2 The Company must provide evidence that the transaction terms for acquiring real estate from a related party are comparable to those of other, unrelated transactions in the surrounding area within one year, and that the sizes are similar. "Surrounding area" transactions are generally considered those within the same or adjacent blocks, within 500 meters of the property, or with similar appraised values. "Similar size" generally means the comparable unrelated transaction size must be at least 50% of the acquired property's size. "Within one year" is calculated based on the date of the acquisition of the real estate.</p>	<p>8.3.4.2 The Company must provide evidence that the transaction terms for acquiring real estate <u>or its usage rights</u> from a related party are comparable to those of other, unrelated transactions in the surrounding area within one year, and that the sizes are similar. "Surrounding area" transactions are generally considered those within the same or adjacent blocks, within 500 meters of the property, or with similar appraised values. "Similar size" generally means the comparable unrelated transaction size must be at least 50% of the acquired property's size. "Within one year" is calculated based on the date of the acquisition of the real estate <u>or its usage rights.</u></p>	
	<p>8.3.5 If the Company acquires real estate from a related party and the valuation results under sections 8.3.1 and 8.3.2 are lower than the transaction price, the following procedures apply. [The following is omitted.]</p>	<p>8.3.5 If the Company acquires real estate <u>or its usage rights</u> from a related party and the valuation results under sections 8.3.1 and 8.3.2 are lower than the transaction price, the following procedures apply. [The following is omitted.]</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
8	<p>8.3.5.1 The Company must set aside a special surplus reserve, as per Section 41, Paragraph 1 of the Securities and Exchange Act, for the difference between the transaction price and the assessed cost of the real estate. This reserve cannot be distributed or used for share capital increases. [The following is omitted.]</p>	<p>8.3.5.1 The Company must set aside a special surplus reserve, as per Section 41, Paragraph 1 of the Securities and Exchange Act, for the difference between the transaction price and the assessed cost of the real estate <u>or its usage rights</u>. This reserve cannot be distributed or used for share capital increases. [The following is omitted.]</p>	Expanded Asset Scope
	<p>8.3.6 If the Company acquires real estate from a related party under any of the following circumstances, The Company should follow the valuation and operational procedures outlined in sections 8.1 and 8.2, and the provisions of 8.3.1, 8.3.2, and 8.3.3 regarding the reasonableness of transaction costs do not apply:</p>	<p>8.3.6 If the Company acquires real estate <u>or its usage rights</u> from a related party under any of the following circumstances, The Company should follow the evaluation and operational procedures outlined in sections 8.1 and 8.2, and the provisions of 8.3.1, 8.3.2, and 8.3.3 regarding the reasonableness of transaction costs do not apply:</p>	
	<p>8.3.6.1 The related party acquired the real estate through inheritance or gift.</p>	<p>8.3.6.1 The related party acquired the real estate <u>or its usage rights</u> through inheritance or gift.</p>	
	<p>8.3.6.2 The related party's contract to acquire the real estate was entered into more than five years prior to the current transaction date.</p>	<p>8.3.6.2 The related party's contract to acquire the real estate <u>or its usage rights</u> was entered into more than five years prior to the current transaction date.</p>	
	<p>8.3.6.3 Acquiring real estate through a joint construction agreement with a related party.</p>	<p>8.3.6.3 Acquiring real estate through a joint construction agreement, <u>or commission a related party to construct the property (e.g., land-lease construction, lease-construction)</u> with a related party.</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
8	8.3.7 If the Company acquires real estate from a related party, and other evidence suggests the transaction deviates from normal business practices, the procedures outlined in section 8.3.5 should be followed.	8.3.7 If the Company acquires real estate <u>or its usage rights</u> from a related party, and other evidence suggests the transaction deviates from normal business practices, the procedures outlined in section 8.3.5 should be followed.	Expanded Asset Scope
9	<p data-bbox="256 573 778 696"><u>9. Procedures for acquiring or disposing of membership certificates or intangible assets</u></p> <p data-bbox="256 725 778 1099">9.1 Evaluation and operational procedures The Company shall acquire or dispose of membership certificates or intangible assets in accordance with the Company's internal control system real estate, plant and equipment recycling procedures.</p> <p data-bbox="256 1128 778 1839">9.2 Procedure for Transaction Conditions and Authorization Limit Determination 9.2.1 When acquiring or disposing of membership certificates, the transaction terms and price should be determined based on fair market value. An analysis report should be prepared and submitted to the Chairman. If the amount exceeds NT\$3 million (inclusive), it must be submitted to the Chairman for approval; if it exceeds NT\$50 million, it must be submitted to the Board of Directors for approval before it can be done.</p> <p data-bbox="256 1868 778 2056">9.2.2 When acquiring or disposing of intangible assets, the transaction conditions and price shall be determined by referring to expert evaluation reports or</p>	<p data-bbox="804 573 1214 651"><u>6.3 Membership certificates or intangible assets</u></p> <p data-bbox="804 1249 1321 1624"><u>6.3.1</u> When acquiring or disposing of membership certificates <u>or intangible assets</u>, the transaction terms and price should be determined based on <u>expert valuation reports</u> or fair market value. An analysis report should be prepared and submitted to the Chairman.</p>	The regulations regarding membership certificates or intangible assets are adjusted to 6.3

Number	Previous Article Text	Revised Article Text	Amendment Explanation
9	<p>fair market prices, and an analysis report shall be prepared and submitted to the Chairman of the Board. If the amount exceeds NT\$3 million, it shall be submitted to the Chairman for approval. If it exceeds NT\$50 million, it shall be submitted to the Board of Directors for approval before it can be done.</p>		<p>The regulations regarding membership certificates or intangible assets are adjusted to 6.3</p>
	<p>9.2.3 When submitting asset acquisition or disposal transactions to the Board of Directors for discussion in accordance with regulations, the opinions of each independent director shall be fully considered, and their opinions and reasons for agreement or opposition shall be recorded in the meeting minutes.</p>		
	<p>9.3 Execution Unit When the Company acquires or disposes of membership certificates or intangible assets, it shall be approved in accordance with the authority for approval in the preceding paragraph, and the user unit and the financial unit shall be responsible for execution.</p>		
	<p>9.4 Membership certificate or intangible asset expert evaluation opinion report If the transaction amount of the acquisition or disposal of membership certificates by this Corporation reaches 20% of the paid-in capital or NT\$300 million or more, an expert appraisal report shall be requested.</p>		
	<p>9.4.1 If the transaction amount of the acquisition or disposal of intangible assets by this Corporation reaches 20% of the paid-in capital or</p>		

Number	Previous Article Text	Revised Article Text	Amendment Explanation
9	<p>NT\$300 million or more, an expert appraisal report shall be requested.</p>		<p>The regulations regarding membership certificates or intangible assets are adjusted to 6.3</p>
	<p><u>9.4.2</u> If the transaction amount for acquiring or disposing of membership certificates or intangible assets reaches 20% of the Company's subscribed capital or NT\$300 million or more, an opinion on the reasonableness of the transaction price must be obtained from a certified accountant prior to the transaction date.</p>	<p><u>6.3.2</u> If the transaction amount for acquiring or disposing of membership certificates or intangible assets reaches 20% of the Company's subscribed capital or NT\$300 million or more, <u>excluding transactions with domestic government agencies</u>, an opinion on the reasonableness of the transaction price must be obtained from a certified accountant prior to the transaction date.</p>	
	<p>9.5 Calculations for transaction amounts in Articles 6, 7, and 9 shall be conducted according to the provisions of Article 13 of this procedure. "Within one year" is calculated based on the date of the current transaction, looking back one year. Valuation reports from professional valuers or opinions from accountants, already obtained in accordance with this procedure, are excluded from the calculation.</p>		
10	<p><u>10.</u> Procedures for acquiring or disposing of financial institution debt</p> <p>The Company generally does not engage in transactions involving the acquisition or disposal of financial institution debt. If such transactions are considered in the future, the Board of Directors must approve them before specific valuation and operational procedures are established.</p>	<p><u>6.4</u> Financial institution debt</p> <p>The Company generally does not engage in transactions involving the acquisition or disposal of financial institution debt. If such transactions are considered in the future, the Board of Directors must approve them before specific valuation and operational procedures are established.</p>	Adjusted article numbers.

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p><u>11.</u> Procedures for acquiring or disposing of derivative products</p> <p>11.1 Trading principles and policies</p> <p>11.1.1. Transaction Types</p> <p>11.1.1.1. The derivative financial products engaged in by the Company refer to trading contracts whose values are derived from assets, interest rates, exchange rates, indices or other interest products (such as forward contracts, options, futures, interest rates or exchange rates, swaps, and composite contracts consisting of a combination of the above products, etc.).</p> <p>11.1.1.2. Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this procedure. The provisions of this procedure may not apply to transactions involving bonds subject to a repurchase condition.</p> <p>11.1.2. Business (risk hedging) strategy</p> <p>The Company engages in derivative financial product transactions for the purpose of hedging risks. The trading products should be selected to avoid the risks generated by the Company's business operations. The currency held must be consistent with the Company's actual foreign currency demand for import and export transactions. The principle is to balance the Company's overall internal positions (only foreign currency income and expenditure) by itself, thereby reducing the Company's overall foreign exchange risk and saving foreign exchange operation costs. Transactions for other specific purposes must be carefully evaluated and submitted to the Board of Directors for approval before they can be carried out.</p> <p>11.1.3. Division of Power and Responsibilities</p> <p>11.1.3.1. Financial Unit</p> <p>11.1.3.1.1. Trading Personnel</p> <p>A. Responsible for the formulation of the Company's entire financial product trading strategy.</p> <p>B. Traders should calculate positions regularly every week, collect market information, conduct</p>	<p><u>9.</u> Procedures for acquiring or disposing of derivative products</p> <p><u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation									
11	<p>trend judgment and risk assessment, and formulate operation strategies, which will be approved by the approval authority as the basis for engaging in transactions.</p> <p>C. Execute transactions according to authorized authority and established strategies.</p> <p>D. When there are major changes in the financial market and traders judge that the established strategy is no longer applicable, they can submit an evaluation report at any time and formulate a new strategy, which will be approved by the general manager and used as the basis for trading.</p> <p>E. Prepare monthly summary reports and submit them to the accounting department as the basis for accounting evaluation.</p> <p>11.1.3.1.2. Accounting staff</p> <p>A. Execution transaction confirmation</p> <p>B. Review whether transactions are conducted in accordance with authorized authority and established policies.</p> <p>C. Evaluations are conducted monthly and evaluation reports are submitted to the chairman for review.</p> <p>D. The transaction should be confirmed based on the copy of the transaction order prepared by the trading personnel, and then the settlement and registration details should be carried out according to the transaction confirmation figures.</p> <p>E. Report and announce in accordance with the regulations of the competent authorities.</p> <p>11.1.3.1.3. Delivery personnel: Execute delivery tasks.</p> <p>11.1.3.1.4. Derivatives Approval Authority</p> <p>A. Hedging Transaction Approval Authority</p> <table border="1" data-bbox="279 1709 951 2063"> <thead> <tr> <th data-bbox="279 1709 435 1809">Shareholder</th> <th data-bbox="435 1709 683 1809">Daily Trading Limit</th> <th data-bbox="683 1709 951 1809">Net Accumulated-Position Trading Limit</th> </tr> </thead> <tbody> <tr> <td data-bbox="279 1809 435 1933">Financial Officer</td> <td data-bbox="435 1809 683 1933">Up to USD 300,000 (or equivalent foreign-currency)</td> <td data-bbox="683 1809 951 1933">Up to USD 1,000,000 (or equivalent foreign-currency)</td> </tr> <tr> <td data-bbox="279 1933 435 2063">Chairman</td> <td data-bbox="435 1933 683 2063">Over USD 1,000,000 (or equivalent foreign-currency)</td> <td data-bbox="683 1933 951 2063">Over USD 3,000,000 (or equivalent foreign-currency)</td> </tr> </tbody> </table>	Shareholder	Daily Trading Limit	Net Accumulated-Position Trading Limit	Financial Officer	Up to USD 300,000 (or equivalent foreign-currency)	Up to USD 1,000,000 (or equivalent foreign-currency)	Chairman	Over USD 1,000,000 (or equivalent foreign-currency)	Over USD 3,000,000 (or equivalent foreign-currency)	<p><u>9.</u> Procedures for acquiring or disposing of derivative products</p> <p><u>The Company's derivative trading activities shall comply with the company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>
Shareholder	Daily Trading Limit	Net Accumulated-Position Trading Limit										
Financial Officer	Up to USD 300,000 (or equivalent foreign-currency)	Up to USD 1,000,000 (or equivalent foreign-currency)										
Chairman	Over USD 1,000,000 (or equivalent foreign-currency)	Over USD 3,000,000 (or equivalent foreign-currency)										

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p>B. Other specific purpose transactions may only be conducted after being submitted for board approval.</p> <p>C. The Company must obtain board approval for the acquisition or disposal of assets according to established procedures or other legal requirements. If any director expresses dissent and there is a record or written statement, The Company must submit the dissenting director's information to the audit committee. When transactions involving the acquisition or disposal of assets are presented for board discussion, the opinions of all independent directors should be fully considered. If independent directors have opposing or reserved opinions, these should be recorded in the minutes of the board meeting.</p> <p>D. Significant asset or derivative transactions must be approved by more than half of the members of the audit committee and submitted to the board for resolution.</p> <p>11.1.3.2. Audit Department Responsible for understanding the adequacy of internal controls over derivative transactions and auditing the trading department's compliance with operational procedures. It also analyzes the transaction cycle, prepares audit reports, and reports to the board in cases of significant deficiencies.</p> <p>11.1.3.3. Performance Evaluation 11.1.3.3.1. Risk averse Trading A. The performance evaluation is based on the exchange rate costs on the Company's books and the gains and losses resulting from derivative financial transactions. B. In order to fully grasp and express the valuation risk of transactions, The Company adopts a monthly valuation method to assess profits and losses. C. The finance department should provide foreign exchange position evaluation, foreign exchange market trends and market analysis to the general manager as management reference and guidance.</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u> <u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p>11.1.3.3.2. Specific purpose transactions The actual profit and loss generated shall be used as the basis for performance evaluation, and accountants shall prepare reports regularly for management reference.</p> <p>11.1.3.4. Determination of the total contract amount and the upper limit of loss</p> <p>11.1.3.4.1. Contract Amount</p> <p>A. Risk-averse trading quota The financial department shall have an overall grasp of the Company's position to avoid transaction risks. The amount of hedging transactions shall not exceed two-thirds of the Company's overall net position. If it exceeds two-thirds, it shall be approved in accordance with the approval authority.</p> <p>B. Specific purpose transactions Based on the forecast of market changes, the finance department may formulate strategies as needed, which may be implemented only after approval by the approval authority. The total contractual amount of the Company's net accumulated position for transactions for specific purposes is limited to NT\$100 million. instructions. Amounts exceeding the above amount must be approved by the Board of Directors and may only be carried out in accordance with policy</p> <p>11.1.3.4.2. Setting of Loss Limit</p> <p>A. Regarding hedging transactions, the losses of the transaction contract and the gains of the physical transaction will be offset against each other in the financial statements. However, when the transaction contract reaches the following loss limit, in addition to reporting to the chairman, it shall be announced in accordance with the provisions of 13.1.4 of this handling procedure.</p> <p>a. The maximum amount of loss for individual contracts is NT\$5 million.</p> <p>b. The maximum amount of all contractual losses is NT\$20 million.</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u> <u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p>B. If it is a trading contract for a specific purpose, a stop loss point should be set after the position is established to prevent excessive losses. The stop loss point shall be set at a maximum of 10% of the transaction contract amount. If the loss amount exceeds 10% of the transaction amount or reaches US\$100,000, it must be reported immediately to the Chairman and reported to the Board of Directors to discuss necessary response measures and announce the report in accordance with Article 13 of these Handling Procedures.</p> <p>11.2. Risk Management Measures</p> <p>11.2.1. Credit risk management:</p> <p>As the market is subject to changes in various factors, it is easy to cause operational risks in derivative financial products. Therefore, market risk management is carried out in accordance with the following principles:</p> <p>11.2.1.1. Transaction partners: mainly well known domestic and foreign financial institutions.</p> <p>11.2.1.2. Trading commodities: limited to commodities provided by famous domestic and foreign financial institutions.</p> <p>11.2.1.3. Transaction Amount: The un off set transaction amount of the same transaction object shall not exceed 50% of the total authorized amount, but this limit does not apply to transactions approved by the Chairman.</p> <p>11.2.2. Market risk management:</p> <p>The focus is on the public foreign exchange trading market provided by banks, and the futures market is not considered for the time being.</p> <p>11.2.3. Liquidity risk management:</p> <p>To ensure market liquidity, financial products with higher liquidity (i.e., able to be flattened in the market at any time) are selected. Financial institutions entrusted with transactions must have sufficient information and the ability to trade in any market at any time.</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u></p> <p><u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

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11	<p>11.2.4. Cash flow risk management: In order to ensure the stability of the Company's working capital turnover, the source of funds for The Company's derivative commodity transactions is limited to its own funds, and the operating amount should take into account the funding needs of the cash receipts and payments forecast for the next three months.</p> <p>11.2.5. Operational risk management: 11.2.5.1. The Company's authorized limits, operating procedures and internal audits should be strictly followed to avoid operational risks. 11.2.5.2. Personnel engaged in trading derivative instruments and those involved in confirmation, settlement, and other operations must not hold concurrent positions. 11.2.5.3. Personnel responsible for measuring, supervising, and controlling risks should belong to different departments from the aforementioned personnel and should report to the Board of Directors or to senior executives not responsible for trading or position decision making. 11.2.5.4. Positions held by the derivatives exchange should be evaluated at least once a week; however, for hedging transactions conducted for business needs, evaluations should be conducted at least twice a month, and the evaluation reports should be submitted to authorized senior executives of the Board of Directors.</p> <p>11.2.6. Commodity Risk Management: Internal traders must possess complete and accurate professional knowledge of financial products and require banks to fully disclose risks to avoid the misuse of financial product risks.</p> <p>11.2.7. Legal Risk Management: Documents signed with financial institutions must be thoroughly examined before formal signing, as any legal issues arising should be handled by the Company's legal advisor or other legal professionals.</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u> <u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p>11.3. Internal Audit System</p> <p>11.3.1. Internal auditors should regularly assess the adequacy of internal controls over derivative trading and conduct monthly audits of the trading department's handling and analysis of the trading cycle, producing audit reports. If significant violations are discovered, they should notify the audit committee in writing.</p> <p>11.3.2. Internal auditors must submit the audit report along with the annual audit status to the regulatory authority by the end of February of the following year, and report on the status of any irregularities for the regulatory authority's reference no later than the end of May of the following year.</p> <p>11.4. Regular Evaluation Methods</p> <p>11.4.1. The Board of Directors should authorize senior executives to regularly supervise and evaluate whether derivative trading is conducted in accordance with the Company's established trading procedures, and whether the assumed risks are within acceptable limits. If there are any anomalies in the market value assessment report (such as positions exceeding loss limits), they should report immediately to the Board of Directors and take appropriate measures.</p> <p>11.4.2. Positions held by the derivatives exchange should be evaluated at least once a week; however, for hedging transactions conducted for business needs, evaluations should be conducted at least twice a month, and the evaluation reports should be submitted to authorized senior executives of the Board of Directors.</p> <p>11.5. Principles of Supervision and Management by the Board of Directors in Derivative Trading.</p> <p>11.5.1. The Board of Directors should designate senior executives to continuously monitor and control the risks associated with derivative trading, with the following management principles:</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u></p> <p><u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
11	<p>11.5.1.1. Regularly assess whether the current risk management measures are appropriate and ensure compliance with the provisions established in this procedure for conducting derivative trading.</p> <p>11.5.1.2. Supervise trading and profit and loss situations; if any anomalies are detected, necessary measures should be taken, and the Board of Directors should be informed immediately. Independent directors should be present to provide their opinions.</p> <p>11.5.3. When the Company engages in derivative trading, any relevant personnel authorized to conduct transactions according to the established procedures must report to the Board of Directors afterward.</p> <p>11.5.4. The Company should maintain a record book for reference, detailing the types and amounts of derivative trading, the dates approved by the Board of Directors, and matters that should be prudently assessed according to sections 11.4.2, 11.5.1, and 11.5.2, which should be thoroughly recorded in the reference book.</p>	<p><u>9. Procedures for acquiring or disposing of derivative products</u></p> <p><u>The Company's derivative trading activities shall comply with the Company's "Procedure for Derivative Trading."</u></p>	<p>To meet corporate governance requirements , The Company has established a "Procedure for Derivative Trading." Therefore, the content of Article 11 is deleted.</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
12	<p>12. Procedures for handling mergers, divisions, acquisitions, or share transfers</p> <p>12.1 Evaluation and operating procedures</p> <p>12.1.1 When the Company undertakes mergers, splits, acquisitions, or share transfers, it should engage lawyers, accountants, and underwriters to collaboratively discuss the statutory procedure timeline and organize a project team to execute it according to legal requirements. Before convening a board meeting for resolution, The Company should commission accountants, lawyers, or securities underwriters to provide opinions on the fairness of the share exchange ratio, acquisition price, or cash or other property distribution to shareholders, which should be submitted for board discussion and approval.</p> <p>12.1.2 The Company should prepare a public document for shareholders detailing the important terms and related matters of the merger, split, or acquisition before the shareholders' meeting. This document should be provided alongside the expert opinions from section 12.1.1 and the notice of the shareholders' meeting to serve as a reference for whether to approve the merger, split, or acquisition. However, if other legal provisions allow for a merger, split, or acquisition without convening a shareholders' meeting, this does not apply. Furthermore, if the shareholders' meeting of any participating company in the merger, split, or acquisition cannot be convened or resolved due to insufficient attendance, voting rights, or other legal restrictions, the participating company should immediately publicly explain the reasons for this, the subsequent handling procedures, and the anticipated date for reconvening the shareholders' meeting.</p> <p>12.2 Other Matters to Note</p> <p>12.2.1 Date of the Board Meeting: Companies participating in a merger, split, or acquisition must hold their board and shareholders' meetings on the same day to resolve matters related to the merger, split, or acquisition,</p>	<p><u>10. When the Company</u> acquires or disposes of assets through mergers, divisions, acquisitions, or share transfers, <u>in addition to the regulations in this procedure, it shall also comply with the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as prescribed by the competent authority.</u></p>	<p>Adjust to the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
12	<p>or acquisition, unless otherwise stipulated by law or if special factors have been approved in advance by the securities regulatory authority. Companies involved in share transfers must also hold their board meetings on the same day, unless otherwise specified by law or approved by the regulatory authority due to special circumstances. The Company participating in mergers, splits, acquisitions, or share transfers must maintain complete written records of the following information for five years for audit purposes. Within two days from the date the board resolution is passed, The Company must report the information specified in sections 12.2.1.1 and 12.2.1.2 to the securities regulatory authority in the prescribed format via the internet information system for record keeping.</p> <p>12.2.1.1 Basic Personnel Information: This includes the titles, names, and identification numbers (passport numbers for foreign individuals) of all individuals involved in the merger, split, acquisition, or share transfer plan or its execution prior to the public announcement.</p> <p>12.2.1.2 Important Dates: This includes the dates of signing letters of intent or memoranda, engaging financial or legal advisors, signing contracts, and board meetings.</p> <p>12.2.1.3 Important Documents and Minutes: This includes documents related to the merger, split, acquisition, or share transfer plan, letters of intent or memoranda, important contracts, and minutes of board meetings. If the Company participating in the merger, split, acquisition, or share transfer is dealing with a company that is not publicly listed or traded at a securities firm's business premises, The Company must sign an agreement with it and proceed according to the aforementioned provisions.</p> <p>12.2.2 Pre-Disclosure Confidentiality Agreement: All individuals participating in or aware of the Company's merger, split, acquisition, or share transfer plan must provide a written confidentiality agreement.</p>	<p><u>10. When the Company acquires or disposes of assets through mergers, divisions, acquisitions, or share transfers, in addition to the regulations in this procedure, it shall also comply with the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as prescribed by the competent authority.</u></p>	<p>Adjust to the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
12	<p>Before the information is publicly disclosed, they must not leak the content of the plan and must not trade, either personally or through others, any stocks or other equity related securities of companies involved in the merger, split, acquisition, or share transfer.</p> <p>12.2.3 Principles for Determining and Changing the Exchange Ratio or Acquisition Price: Companies participating in a merger, split, acquisition, or share transfer must engage accountants, lawyers, or securities underwriters to express opinions on the reasonableness of the exchange ratio, acquisition price, or cash or other property distributed to shareholders before the boards of both parties. In principle, the exchange ratio or acquisition price should not be arbitrarily changed; however, if conditions for changes have been established in a contract and publicly disclosed, this does not apply. The conditions for changing the exchange ratio or acquisition price are as follows:</p> <p>12.2.3.1 Conducting cash capital increases, issuing convertible bonds, issuing stock dividends, issuing bonds with warrants, issuing preferred stock with warrants, issuing stock option certificates, and other equity related securities.</p> <p>12.2.3.2 Disposing of significant company assets or engaging in actions that affect the Company's financial operations.</p> <p>12.2.3.3 Occurrence of significant disasters, major technological changes, or other events affecting the rights and interests of shareholders or the price of securities.</p> <p>12.2.3.4 Adjustments related to the buyback of treasury stock by either party involved in the merger, split, acquisition, or share transfer according to the law.</p> <p>12.2.3.5 Changes in the number of entities participating in the merger, split, acquisition, or share transfer.</p> <p>12.2.3.6 Other conditions for changes that have been established in the contract and publicly disclosed.</p>	<p><u>10. When the Company acquires or disposes of assets through mergers, divisions, acquisitions, or share transfers, in addition to the regulations in this procedure, it shall also comply with the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as prescribed by the competent authority.</u></p>	<p>Adjust to the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
12	<p>12.2.4 Contents to be Included in the Contract: The contract for the companies involved in the merger, split, acquisition, or share transfer, in addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Merger Act, must specify the following matters:</p> <p>12.2.4.1 Handling of breaches of contract.</p> <p>12.2.4.2 Principles for handling treasury stock that has been repurchased.</p> <p>12.2.4.3 The quantity of treasury stock that can be legally repurchased by the participating companies after the calculation date of the exchange ratio and the principles for handling it.</p> <p>12.2.4.4 Methods for handling changes in the number of participating entities.</p> <p>12.2.4.5 Expected progress of the plan and anticipated completion schedule.</p> <p>12.2.4.6 Procedures related to the scheduled date for convening a shareholders' meeting if the plan is not completed on time, as required by law.</p> <p>12.2.5 When there are changes in the number of companies participating in the merger, split, acquisition, or share transfer: If either party involved in the merger, split, acquisition, or share transfer intends to merge, split, acquire, or transfer shares with other companies after the information has been publicly disclosed, unless the number of participating entities decreases and the shareholders' meeting has resolved and authorized the Board of Directors to change the authority, the participating company may be exempt from convening a shareholders' meeting for a new resolution. However, all completed procedures or legal acts from the original merger, split, acquisition, or share transfer must be re-executed by all participating companies.</p> <p>12.2.6 If any company participating in the merger, split, acquisition, or share transfer is not a publicly listed company, The Company must sign an agreement with it and proceed according to the provisions of sections 12.2.1, 12.2.2, and 12.2.5.</p>	<p><u>10. When the Company acquires or disposes of assets through mergers, divisions, acquisitions, or share transfers, in addition to the regulations in this procedure, it shall also comply with the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as prescribed by the competent authority.</u></p>	<p>Adjust to comply with the provisions of Section 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

Number	Previous Article Text	Revised Article Text	Amendment Explanation
13	<p><u>13.</u> Information Disclosure Procedures</p> <p><u>13.1</u> Required Disclosure Items and Standards</p>	<p><u>11.</u> Information Disclosure Procedures</p> <p><u>11.1</u> Required Disclosure Items and Standards:</p> <p><u>If the Company acquires or disposes of assets under the following circumstances, it shall disclose the relevant information on the designated website of the competent authority within two days of the event, using the appropriate format based on the nature of the transaction:</u></p>	Supplementary Declaration and adjusted article numbers.
	<p><u>13.1.1</u> Acquiring or disposing of real estate from a related party, or engaging in transactions with a related party for acquiring or disposing of assets other than real estate, where the transaction amount exceeds 20% of the Company's subscribed capital, 10% of total assets, or NT\$300 million. This does not apply to the buying and selling of government bonds or bonds with buyback/sellback conditions.</p>	<p><u>11.1.1</u> Acquiring or disposing of real estate <u>or its usage rights</u> from a related party, or engaging in transactions with a related party for acquiring or disposing of real estate <u>or its usage rights</u>, or other assets, where the transaction amount exceeds 20% of the Company's subscribed capital, 10% of total assets, or NT\$300 million. This does not apply to the buying and selling of <u>domestic</u> government bonds or bonds with buyback/sellback conditions, <u>or the subscription or repurchase of money market funds issued by domestic securities investment trust companies.</u></p>	
	<p><u>13.1.2</u> Mergers, divisions, acquisitions, or share transfers.</p>	<p><u>11.1.2</u> Mergers, divisions, acquisitions, or share transfers.</p>	
	<p><u>13.1.3</u> Losses from derivative transactions, and exceed the specified limit for individual or total contract losses.</p>	<p><u>11.1.3</u> Losses from derivative transactions, and exceed the specified limit for individual or total contract losses.</p>	
	<p><u>13.1.4</u> Asset transactions other than those specified in the preceding <u>three</u> subparagraphs, disposal of claims by financial institutions, or transactions</p>	<p><u>11.1.6</u> Asset transactions other than those specified in the preceding <u>five</u> subparagraphs, disposal of claims by financial institutions, or transactions</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
13	<p>involving amounts exceeding 20% of the Company's paid-in capital or NT\$300 million. However, this does not apply to:</p> <p><u>13.1.4.1</u> Trading government bonds or foreign government bonds with a credit rating no lower than the sovereign rating.</p> <p><u>13.1.4.2</u> Trading securities on domestic or foreign stock exchanges or securities dealer premises by professional investors.</p>	<p>involving amounts exceeding 20% of the Company's paid-in capital or NT\$300 million. However, this does not apply to:</p> <p><u>11.1.6.1</u> Trading <u>domestic</u> government bonds or foreign government bonds with a credit rating no lower than the sovereign rating.</p> <p><u>11.1.6.2</u> Trading securities on domestic or foreign stock exchanges or securities dealer premises by professional investors.</p>	Supplementary Declaration and adjusted article numbers.
	<p><u>13.1.4.3</u> Trading bonds with buyback or sellback conditions.</p>	<p><u>11.1.6.3</u> Trading bonds with buyback or sellback conditions; <u>subscribing to or repurchasing money market funds issued by domestic securities investment trust companies.</u></p>	
	<p><u>13.1.4.4</u> Acquisitions or disposals of assets classified as business-use machinery and equipment, where the transaction is not with the related party, and the transaction amount <u>does not exceed NT\$500 million.</u></p>	<p><u>11.1.4</u> Acquisitions or disposals of business-use equipment or <u>its usage rights</u>, where the transaction is not with the related party, and the transaction amount <u>meets one of the following criteria:</u></p> <p><u>11.1.4.1 Registered capital is less than NT\$10 billion, and the transaction amount is NT\$5 billion or more.</u></p> <p><u>11.1.4.2 Registered capital is NT\$10 billion or more, and the transaction amount is NT\$10 billion or more.</u></p>	
	<p><u>13.1.4.5</u> Acquire real estate through self-construction on owned land, construction on leased land, joint construction (division of units), joint construction (sharing of profits), or joint construction</p>	<p><u>11.1.5</u> Acquiring real estate through self-construction on owned land, construction on leased land, joint construction (division of units), joint construction (sharing of profits), or joint construction</p>	

Number	Previous Article Text	Revised Article Text	Amendment Explanation
13	<p>(sale of units), <u>with the Company's estimated transaction amount below NT\$500 million.</u></p>	<p>(sale of units), <u>where the transaction is not with a related party, and The Company's estimated transaction amount is NT\$500 million or more.</u></p>	<p>Supplementary Declaration and adjusted article numbers.</p>
	<p><u>13.1.5</u> The calculation method for the transaction amounts in the previous <u>fifth</u> item is as follows. "Within one year" refers to a one-year period calculated backward from the date of the current transaction. Amounts already publicly disclosed according to regulations are excluded from recalculation.</p> <p><u>13.1.5.1</u> Amount of each individual transaction.</p> <p><u>13.1.5.2</u> Cumulative amount of transactions involving the acquisition or disposal of the same type of asset from the same counterparty within one year.</p> <p><u>13.1.5.3</u> Cumulative amount of acquisitions or disposals (acquisitions and disposals are accumulated separately) of real estate within the same development plan within one year.</p> <p><u>13.1.5.4</u> Cumulative amount of acquisitions or disposals (acquisitions and disposals are accumulated separately) of the same securities within one year.</p>	<p><u>11.1.7</u> The calculation method for the transaction amounts in the previous <u>sixth</u> item is as follows. "Within one year" refers to a one-year period calculated backward from the date of the current transaction. Amounts already publicly disclosed according to regulations are excluded from recalculation.</p> <p><u>11.1.7.1</u> Amount of each individual transaction.</p> <p><u>11.1.7.2</u> Cumulative amount of transactions involving the acquisition or disposal of the same type of asset from the same counterparty within one year.</p> <p><u>11.1.7.3</u> Cumulative amount of acquisitions or disposals (acquisitions and disposals are accumulated separately) of real estate <u>or its usage rights</u> within the same development plan within one year.</p> <p><u>11.1.7.4</u> Cumulative amount of acquisitions or disposals (acquisitions and disposals are accumulated separately) of the same securities within one year.</p>	
	<p>13.2 Time limit for announcement and declaration Where the Company acquires or disposes of assets that contain items that should be reported as provided in Paragraph 1 of this</p>		

Number	Previous Article Text	Revised Article Text	Amendment Explanation
13	<p>Article and the transaction amount reaches the standard required for reporting under this Article, The Company shall make a public announcement within two days of the occurrence of the fact.</p> <p><u>13.3</u> Public Reporting Procedures</p> <p>13.3.1 The Company shall publish relevant information on the website designated by the competent authority.</p> <p><u>13.3.2</u> The Company shall, on or before the 10th of each month, input the details of derivative transactions undertaken by the Company and its subsidiaries (excluding domestically listed companies) as of the end of the previous month, using the prescribed format, into the information reporting website designated by the regulatory authority.</p> <p><u>13.3.3</u> If any items required to be publicly disclosed are incorrect or incomplete at the time of disclosure, The Company shall re-submit a complete public report.</p> <p><u>13.3.4</u> The Company must retain relevant contracts, meeting minutes, records, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the Company's premises. These documents must be kept for at least five years, unless other laws specify otherwise.</p>	<p><u>11.2</u> Public Reporting Procedures</p> <p><u>11.2.1</u> The Company shall, on or before the tenth of each month, input the details of derivative transactions undertaken by the Company and <u>its not a domestically listed public company subsidiaries</u> (excluding domestically listed companies) as of the end of the previous month, using the prescribed format, into the information reporting website designated by the regulatory authority.</p> <p><u>11.2.2</u> If any items required to be publicly disclosed are incorrect or incomplete at the time of disclosure, The Company shall re-submit a complete public report <u>within two business days of becoming aware</u> of the error or omission.</p> <p><u>11.2.3</u> The Company must retain relevant contracts, meeting minutes, records, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the Company's premises. These documents must be kept for at least five years, unless other laws specify otherwise.</p>	Supplementary Declaration and adjusted article numbers.

Number	Previous Article Text	Revised Article Text	Amendment Explanation
13	<p><u>13.3.5</u> Following the initial public reporting of a transaction, The Company must, within two business days of the event, update the relevant information on the regulatory authority's designated website if any of the following occur:</p> <p><u>13.3.5.1</u> Changes, termination, or cancellation of any contracts related to the original transaction.</p> <p><u>13.3.5.2</u> Mergers, divisions, acquisitions, or share transfers that are not completed according to the contract's schedule.</p> <p><u>13.3.5.3</u> Changes to the originally reported information.</p>	<p><u>11.2.4</u> Following the initial public reporting of a transaction, The Company must, within two business days of the event, update the relevant information on the regulatory authority's designated website if any of the following occur:</p> <p><u>11.2.4.1</u> Changes, termination, or cancellation of any contracts related to the original transaction.</p> <p><u>11.2.4.2</u> Mergers, divisions, acquisitions, or share transfers that are not completed according to the contract's schedule.</p> <p><u>11.2.4.3</u> Changes to the originally reported information.</p>	Supplementary Declaration and adjusted article numbers.
	<p>13.4 Announcement format The Company's announcement of relevant information should be in accordance with the format of the competent The public announcement reporting format prescribed by the agency shall be processed.</p>		Adjusted to 11.1
14	<p><u>14.</u> The Company's subsidiaries shall comply with the following:</p> <p><u>14.1</u> Subsidiaries shall also establish "Procedures for Asset Acquisition <u>and</u> Disposal." in accordance with the relevant provisions of the "Processing Guidelines." These procedures must be approved by the subsidiary's Board of Directors and submitted to the shareholders' meeting. The same procedure applies for any revisions.</p>	<p><u>12.</u> The Company's subsidiaries shall comply with the following:</p> <p><u>12.1</u> Subsidiaries shall also establish "Procedures for Asset Acquisition <u>or</u> Disposal." in accordance with the relevant provisions of the "Processing Guidelines." These procedures must be approved by the subsidiary's Board of Directors and submitted for approval by the <u>subsidiary's</u> shareholders' meeting <u>(or Board of Directors).</u></p>	Revised terminology and adjusted article numbers.

Number	Previous Article Text	Revised Article Text	Amendment Explanation
14	<u>14.2</u> Subsidiaries shall also follow the Company's regulations when acquiring or disposing of assets.	<u>12.2</u> Subsidiaries shall also follow the Company's regulations when acquiring or disposing of assets.	Revised terminology and adjusted article numbers
	<u>14.3</u> For subsidiaries that are not publicly listed companies, if the acquisition or disposal of assets meets the disclosure standards outlined in the "Processing Guidelines," the parent company will also handle the disclosure reporting for that subsidiary.	<u>12.3</u> For subsidiaries that are not publicly listed companies, if the acquisition or disposal of assets meets the disclosure standards outlined in the "Processing Guidelines," the parent company will also handle the disclosure reporting for that subsidiary.	
	<u>14.4</u> In determining the disclosure standards for subsidiaries, "reaching 20% of the Company's paid-in capital or 10% of total assets" refers to the parent (or main) company's paid-in capital or total assets.	<u>12.4</u> In determining the disclosure standards for subsidiaries, "reaching 20% of the Company's paid-in capital or 10% of total assets" refers to the parent (or main) company's paid-in capital or total assets.	
15	<u>15.</u> Penalties Company managers and handling personnel who violate the asset acquisition <u>and</u> disposal procedures will be subject to performance evaluations and disciplinary action in accordance with the Company's relevant management regulations and employee rules, depending on the severity of the violation.	<u>13.</u> Penalties Company managers and handling personnel who violate the asset acquisition <u>or</u> disposal procedures will be subject to performance evaluations and disciplinary action in accordance with the Company's relevant management regulations and employee rules, depending on the severity of the violation.	Adjusted article numbers and revised terminology
16	<u>16.</u> Implementation and Revision <u>16.1</u> Any establishment or revision of these procedures requires the approval of more than half of the members of the audit committee, and subsequent board resolution. If not approved by more than half of the audit committee members, a two-thirds majority of the Board of Directors may approve the procedure. The minutes of the board meeting must clearly record the audit committee's decision.	<u>14.</u> Implementation and Revision <u>14.1</u> Any establishment or revision of these procedures requires the approval of more than half of the members of the audit committee, and subsequent board resolution. If not approved by more than half of the audit committee members, a two-thirds majority of the Board of Directors may approve the procedure. The minutes of the board meeting must clearly record the audit committee's decision.	Adjusted article numbers

Number	Previous Article Text	Revised Article Text	Amendment Explanation
16	<p><u>16.2</u> When this procedure is presented to the board for discussion, all independent directors must be present. If an independent director cannot attend in person, another independent director must be delegated to attend in their place. All independent director opinions must be carefully considered. Any dissenting or reserved opinions must be documented in the board meeting minutes. "All independent directors," "all audit committee members," and "all directors" are calculated based on those currently serving.</p> <p><u>16.3</u> This procedure, once approved by the audit committee, must be submitted to the board for approval and then to the shareholders' meeting for approval before implementation. Any revisions must follow the same process. If any director expresses dissent, with documented or written statements, The Company must submit the director's dissenting information to the audit committee.</p>	<p><u>14.2</u> When this procedure is presented to the board for discussion, all independent directors must be present. If an independent director cannot attend in person, another independent director must be delegated to attend in their place. All independent director opinions must be carefully considered. Any dissenting or reserved opinions must be documented in the board meeting minutes. "All independent directors," "all audit committee members," and "all directors" are calculated based on those currently serving.</p> <p><u>14.3</u> This procedure, once approved by the audit committee, must be submitted to the board for approval and then to the shareholders' meeting for approval before implementation. Any revisions must follow the same process. If any director expresses dissent, with documented or written statements, The Company must submit the director's dissenting information to the audit committee.</p>	Adjusted article numbers
17	<p>17. Supplementary Provisions Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.</p>		Incorporate into Article 2

APEX DYNAMICS, INC.

Rules of Procedure for Shareholder Meetings 【Appendices 1】

1. Basis

In order to establish a good shareholder governance system, improve the supervision function and strengthen the management function of the Company, this rule is formulated in accordance with Article 5 of the "Code of Practice for Governance of Listed OTC Companies" for compliance.

2. The rules of procedure for the Company's Shareholders' Meeting shall be in accordance with the provisions of these rules, unless otherwise stipulated by laws and regulations or the articles of association.

3. General Meeting of Shareholders and meeting notice

The Company's Shareholders' Meeting shall be convened by the Board of Directors unless otherwise stipulated by laws and regulations.

Thirty days before the regular Shareholders' Meeting or 15 days before the extraordinary Shareholders' Meeting, the Company shall submit the notice of the Shareholders' Meeting, the power of attorney, the relevant confirmation proposal, discussion proposal, election or dismissal of directors (including independent directors) and other matters. Proposals and explanatory materials are made into electronic files and sent to the public information observation station. And 21 days before the regular Shareholders' Meeting or 15 days before the extraordinary Shareholders' Meeting, the Shareholders' Meeting manual and supplementary materials for the meeting will be prepared and sent to the public information observation station as electronic files. Fifteen days before the Shareholders' Meeting, the manual of the Shareholders' Meeting and supplementary materials for the meeting shall be prepared for shareholders to request and read at any time, and they shall be displayed at the Company and the stock affairs agency, and shall be distributed on-site at the Shareholders' Meeting.

The notice and announcement shall specify the reason for the convening; if the notice is approved by the counterparty, it may be done electronically.

Appointment or dismissal of directors (including independent directors), change of articles of association, capital reduction, application for cessation of public offering, directors' non-compete permit, capital increase from surplus, capital increase from public reserve, company dissolution, merger, division or Article 185 of the Company Law Items in the subparagraphs of Paragraph 1, Article 26-1 and Article 43-6 of the Securities and Exchange Law, Issuer's Guidelines for Handling the Offering and Issuance of Securities Article 56-1 and Article 60-2 Matters should be listed in the reasons for the convening, and cannot be proposed as an interim motion. Its main content may be placed on the website designated by the securities authority or the Company, and the website address shall be specified in the notice. The reason for the convening of the Shareholders' Meeting has stated the full re-election of directors (including independent directors) and the date of inauguration. After the re-election of the Shareholders' Meeting is completed, the same meeting shall not

change the date of inauguration by temporary motion or other means. Shareholders who hold more than 1% of the total number of issued shares may submit written proposals to the Company for general Meeting of Shareholders. However, there is a limit of one proposal, and those with more than one proposal shall not be included in the proposal.

In addition, if a proposal proposed by a shareholder falls under any of the circumstances in Item 4 of Article 172-1 of the Company Law, the Board of Directors may not include it as a proposal.

The Company shall announce the acceptance of shareholders' proposals, the place of acceptance, and the acceptance period prior to the closing date of stock transfer before the general Meeting of Shareholders; the acceptance period shall not be less than ten days.

Proposals proposed by shareholders are limited to 300 words, and those exceeding 300 words will not be included in the proposal; the proposing shareholder should attend the general Meeting of Shareholders in person or entrust others to participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the results of the handling before the notice date for the convening of the Shareholders' Meeting, and list the proposals that meet the provisions of this article in the meeting notice. For shareholder proposals that are not included in the proposal, the Board of Directors shall explain the reasons for not including them at the Shareholders' Meeting.

4. Proxy to attend Shareholders' Meeting and authorize

Shareholders must issue a power of attorney issued by the Company at each shareholders' meeting, specifying the scope of authorization, and appoint a proxy to attend the shareholders' meeting. Those who need to entrust are limited to one person and issue a power of attorney. The power of attorney should be sent to the Company before the meeting at the latest. If there is duplicate power of attorneys, the one delivered first shall prevail. However, this does not apply to those entrusted before the declaration is revoked. After the power of attorney is delivered to the Company, if the shareholder wishes to attend the Shareholders' Meeting in person or exercise voting rights in writing or electronically, he shall notify the Company in writing of the cancellation of the proxy before the Shareholders' Meeting, the voting rights exercised in attendance shall prevail.

5. Principles of convening Shareholders' Meeting, time and method

The place where the Shareholders' Meeting is held shall be the location of the Company or a place that is convenient for shareholders to attend and is suitable for holding the Shareholders' Meeting. The starting time of the meeting shall not be earlier than 9:00 am or later than 3:00 pm. Opinions of independent directors. The method of convening the Shareholders' Meeting can be held by the resolution of the Board of Directors, physical Shareholders' Meeting, video-assisted Shareholders' Meeting, video-conference Shareholders' Meeting or other methods announced by the central competent authority. The conditions and operating procedures that the Company should meet are in accordance with the "Standards for Handling Share Affairs of Companies Offering Shares to the Public".

6. Preparation of signature book and other documents

The Company shall set up a signature book for the attending shareholders themselves or proxies entrusted by the shareholders (hereinafter referred to as shareholders) to sign in, or for the attending shareholders to submit a sign-in card to sign in on their behalf.

The Company shall deliver the procedural manual, annual report, speech notes, votes and other meeting materials to the shareholders attending the Shareholders' Meeting; if there are directors to be elected, the ballots shall be attached.

Shareholders should present their attendance cards or other attendance certificates to attend the Shareholders' Meeting. Those who are entrusted to attend should bring their identity documents for verification.

When the government or legal person is the shareholder, the representative attending the shareholders meeting is not limited to one person. When a legal person is entrusted to attend a Shareholders' Meeting, it may only designate one representative to attend.

7. Chairman of the shareholders meeting, attendees

If the Shareholders' Meeting is convened by the Board of Directors, the Chairman shall be the directors. When the Chairman is on leave or unable to exercise his powers for some reason, the Chairman shall designate a director to act as an agent. If the Chairman does not designate an agent, the director shall recommend an agent.

The shareholder meeting convened by the Board of Directors should preferably be held by the person authorized to convene by the Board of Directors. If there are two or more persons authorized to convene, one person shall be recommended.

The Company can appoint lawyers, accountants or related personnel to attend the Shareholders' Meeting.

8. Audio recording or video recording of the shareholder meeting

The Company shall make audio or video recordings of the entire process of the Shareholders' Meeting and keep them for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

9. Calculation of the number of shares attended by shareholders meeting

Attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares attended is calculated based on the signature book or attendance card, plus the number of shares that exercise voting rights in writing or electronically.

When the meeting time has expired, the Chairman shall immediately announce the opening of the meeting, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. If shareholders representing more than half of the total number of issued shares are present, the Chairman may announce the postponement of the meeting. The number of postponements is limited to two times, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend after the second postponement, the Chairman will announce that the meeting will be adjourned.

If the preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total issued shares present, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified to all parties. Shareholders shall convene another Shareholders' Meeting within one month.

Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the Chairman may resubmit the false resolution made to the Shareholders' Meeting for voting in accordance with Article 174 of the Company Law.

10. Motion discussion

If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors, and the meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without a resolution of the Shareholders' Meeting.

If the Shareholders' Meeting is convened by a person other than the Board of Directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the end of the agenda (including temporary motions) scheduled in the first two items, the Chairman shall not declare the meeting closed unless a resolution is passed. Before the end of the agenda (including temporary motions) scheduled in the first two items, the Chairman shall not declare the meeting closed unless a resolution is passed. If the Chairman violates the rules of procedure and announces the adjournment of the meeting, other members of the Board of Directors shall promptly assist the attending shareholders in accordance with legal procedures, and elect a person as the Chairman with the consent of more than half of the voting rights of the attending shareholders to continue the meeting.

The Chairman shall give full explanations and opportunities for discussion on proposals and amendments or temporary motions proposed by shareholders, and may announce the cessation of discussion and put for voting when he considers that the resolution has reached a level that can be voted on.

11. Shareholder statement

Before a shareholder makes a speech, he must first fill out a speech slip indicating the gist of the speech, shareholder account number (or attendance card number) and account name, and the Chairman will determine the order of their speeches. Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

Each shareholder's speech on the same proposal shall not exceed two times without the consent of the Chairman, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or exceeds the scope of the topic, the Chairman may stop the speech.

When a shareholder present speaks, other shareholders are not allowed to interfere with the speech unless the Chairman and the shareholder who speaks agree, and the Chairman should stop the violation.

When a legal person shareholder appoints two or more representatives to attend the Shareholders' Meeting, only one person may speak on the same proposal. After attending shareholders' speeches, the Chairman may reply in person or by designating relevant personnel.

12. Calculation of the number of voting shares and avoidance system

Voting at the Shareholders' Meeting shall be based on shares.

The number of shares of non-voting shareholders shall not be included in the total number of issued shares for the resolutions of the Shareholders' Meeting.

Shareholders are not allowed to participate in voting if they have their own interests in the matters of the meeting that may harm the interests of the Company, and they are not allowed to exercise their voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed 3% of the total number of issued shares. Not counted.

13. Proposal voting, scrutiny and counting methods

Shareholders have one vote per share, however, those who are restricted or have no voting rights listed in the Company law are not subject to this restriction.

When the Company convenes a Shareholders' Meeting, it may exercise its voting rights in written or electronic means; when voting, if there is no objection after consultation with the Chairman, it is deemed to be passed, and its effect is the same as that of voting, if voting rights are exercised in written or electronic means, the method of exercise shall be specified in the shareholders meeting convening notice, shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the meeting in person.

However, the interim motions and amendments to the original proposals at the Shareholders' Meeting are deemed as abstentions, so the Company should avoid proposing interim motions and amendments to the original proposals.

For those who exercise their voting rights in writing or electronically in the preceding paragraph, their declaration of intent shall be delivered to the Company two days before the Shareholders' Meeting. However, this does not apply to those who express their intention before the declaration is revoked.

After shareholders exercise their voting rights in writing or electronically, if they want to attend the Shareholders' Meeting in person, they should revoke the declaration of intention to exercise voting rights in the preceding paragraph in the same way as exercising voting rights two days before the Shareholders' Meeting; voting rights shall prevail. If voting rights are exercised in writing or electronically and a proxy is entrusted to attend the Shareholders' Meeting with a power of attorney, the voting rights entrusted to the proxy shall prevail.

Unless otherwise provided for by the Company Law and the Articles of Association of the Company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the Chairman or his designated person shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis, and on the day after the Shareholders' Meeting, the shareholders' approval, objection or abstention results shall be entered into the Public Information Observatory.

When there is an amendment or alternative to the same proposal, the Chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there shall be no further voting.

The scrutiny and counting personnel for voting on proposals shall be designated

By the Chairman, but the scrutiny personnel shall have the status of shareholders.

Counting of votes shall be done publicly at the shareholder meeting, and the vote results shall be reported on the spot and recorded.

14. Election

When the Shareholders' Meeting elects directors (including independent directors), it shall follow the relevant selection and appointment rules stipulated by the Company, and shall announce the election results on the spot, including the list of elected directors and their voting rights.

The ballots for the elections mentioned in the preceding paragraph shall be sealed and signed by the scrutineer, and shall be kept in a safe place for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

15. Meeting minutes and resolutions

The resolutions of the Shareholders' Meeting shall be recorded in minutes, signed or sealed by the Chairman, and distributed to all shareholders within 20 days after the meeting. Minutes can be produced and distributed electronically.

The Company may announce the distribution of the minutes of the proceedings in the preceding paragraph on the Market Observation Post System.

The minutes of the meeting shall be accurately recorded according to the year, month, day, place, name of the Chairman, resolution method, essentials of the proceedings and the results of the meeting, and shall be permanently preserved during the existence of the Company.

16. External announcement

The Company shall prepare a statistical table in accordance with the prescribed format, for the number of shares acquired by the solicitor and the number of shares represented by the entrusted agent, make an announcement on the day of the Shareholders' Meeting.

For resolutions of the Shareholders' Meeting, if there is any important information required by the law or specified by Taiwan Stock Exchange, the Company shall upload the content to the Market Observation Post System within the specified time.

17. Maintenance of meeting order

Personnel handling the Shareholders' Meeting shall wear identification badges or armbands.

The Chairman may direct pickets or security personnel to assist in maintaining order at the venue. When pickets or security personnel are present to help maintain order, they should wear armbands or identification cards with the words "Pickets".

If the venue is equipped with amplifying equipment, but the shareholders do not use the equipment to speak, the Chairman may stop it.

The shareholder' who violate the rules of procedure and refuse to obey the Chairman's correction, obstruct the progress of the meeting and refused to comply, may be ordered by the Chairman to ask the pickets or security personnel to leave the meeting place.

18. Break or continue meeting

When the meeting is in progress, the Chairman may announce a break at a discretionary time. In the event of an irresistible event, the Chairman may rule to temporarily suspend the meeting and announce the time for the continuation of the meeting as appropriate.

If the agenda scheduled by the Shareholders' Meeting is not over yet (including temporary motions) but the meeting venue cannot continue to be used, the shareholders meeting decides to find another venue to continue the meeting.

The Shareholders' Meeting shall, in accordance with Article 182 of the Company Law, resolve to postpone or continue the meeting within five days.

19. These rules come into force after being passed by the shareholders meeting, the same applies when making corrections.

APEX DYNAMICS, INC.

Articles of Incorporation of the Company **【Appendices 2】**

1. General Principles

1. The Company is organized in accordance with the rule named Company Limited by Shares in the Company law, English name is APEX DYNAMICS, INC.
2. The business of the Company is as follows:
Research, develop, design, manufacture and sell the following products:
(1) The high-precision planetary gearboxes and related mechatronics servo mechanism.
(2) Industrial machine (robot).
The industry codes of products and business items are as follows:
(1) CB01010 Mechanical equipment manufacturing
(2) CB01990 Other machinery manufacturing
(3) CA02010 Manufacture of metal structure and architectural components
(4) E604010 Machinery installation
(5) F401010 International trade
(6) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. (outside the Central Taiwan Science Park only) .
3. The Company's headquarters is established in Central Taiwan Science Park, When necessary, branch companies can be established at home and abroad according to the law through the resolution of the Board of Directors.
4. The Company's announcement method is handled in accordance with the provisions of Article 28 of the Company Law.
- 4-1. The Company's reinvestments in other businesses is not subject to the Company law's restriction that the total investment shall not exceed 40% of the Company's paid-in share capital, the Company may act as a guarantor.

2. Shares

5. The Company's capital is rated at NT\$100 million, divided into 100 million shares, and each share is NT\$100, of which the unissued shares are authorized to be issued by the Board of Directors.

NT\$30,000,000 reserved in the total capital of the preceding paragraph shall be divided into 1,000,000 shares for issuing employee stock option certificates to exercise stock options, issued in tranches after resolution of the Board of Directors.

When the Company's shares are required to be repurchased by the Company itself according to law, Authorized to the Board of Directors in accordance with laws and regulations.

The Company transfers to employees at a price lower than the average price at which the shares are actually repurchased, or employee stock option certificates issued at a subscription price lower than the market price (net value per share), the Shareholders' Meeting should be sent to the Shareholders' Meeting representing more than half of the total number of issued shares, more than two-thirds of the voting rights of the attending shareholders agree.

- 5-1. Treasury stock purchased by the Company in accordance with the Company Law, the object of the transfer includes employees of the controlling or subordinate companies who meet certain conditions.

The Company's employee stock option certificates are issued to objects, including employees of controlling or subordinate companies who meet certain conditions.

When the Company issues new shares, the employees who purchase the shares include employees of the controlling or subordinate companies who meet certain conditions.

The objects of the Company's issuance of restricted personnel entitled to new shares include personnel of the controlling or subordinate company who meet certain conditions.

6. The shares of the Company are registered, signed or stamped by the director representing the Company, and issued after being approved by the competent authority or its approved issuing registration agency in accordance with the law.

Shares issued by the Company do not need to be printed, but they should be registered with a centralized securities depository institution, and the same applies to the issuance of other securities. The Company's stock affairs are handled in accordance with the regulations of the relevant laws and regulations of the competent authority.

7. The Company shall change the records in the shareholders' register within 60 days before the regular Shareholders' Meeting, not within 30 days before the extraordinary Meeting of Shareholders, or within 5 days before the Company decides to distribute dividends and bonuses or other benefits.

8. The Company's stock name change and transfer are handled in accordance with the Company Law and relevant laws and regulations.

The Company's stock affairs operations are handled in accordance with the "Standards for Handling Stock Affairs of Publicly Issued Companies" and other relevant regulations promulgated by the competent authority.

3. Shareholders meeting

9. The Company's Shareholders' Meeting is divided into two types: regular meeting and extraordinary meeting.

Regular meetings are held once a year within six months after the end of each fiscal year. Ad hoc meetings will be convened in accordance with the law when necessary, and the notification can be made electronically with the consent of the counterparty.

The method of convening the Shareholders' Meeting may be implemented through the resolution of the Board of Directors, physical Shareholders' Meeting, video-assisted Shareholders' Meeting, video-based Shareholders' Meeting, or other methods announced by the central competent authority. The Company should comply with the conditions and operating procedures, and handle it in accordance with the "Standards for Handling Share Affairs of Companies Offering Shares to the Public" promulgated by the competent authority.

10. The convening notice of the Company's regular Shareholders' Meeting shall be issued 30 days in advance, The convening notice of the extraordinary shareholders meeting shall be 15 days in advance, Notify shareholders of the date, place and reason for the meeting and make an announcement.
11. If a shareholder is unable to attend the Shareholders' Meeting, in accordance with the provisions of Article 177 of the Company Law, he shall issue a power of attorney and entrust an agent to attend the meeting.

The method of entrusting the Company's shareholders to attend is unless otherwise stipulated by the Company Law, follow Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

12. When the Shareholders' Meeting is held, the Chairman shall be the Chairman. When the Chairman is absent, the Chairman shall designate a director to act as the representative, if no designation is made, the directors shall recommend one person to act as the agent. If it is convened by another convening person other than the Board of Directors, the Chairman shall be the convening person. If there are more than two convening persons, one of them shall be elected from each other.
13. Except as otherwise provided by relevant laws and regulations, each shareholder of the Company has one voting right for each share held.
14. After the Company's stock is publicly issued, if it wants to cancel the public offering, in addition to the approval of the Board of Directors, a special resolution of the Shareholders' Meeting must be obtained before the cancellation of the public offering can be started.
15. Unless otherwise stipulated by the relevant laws and regulations, the resolution of the Shareholders' Meeting shall be attended by shareholders representing more than half of the total number of issued shares, based on the opinions of more than half of the voting rights of the shareholders present.

When the Company convenes a general Meeting of Shareholders after Initial Public Offerings and Over the Counter, electronic means should be listed as one of the channels for exercising voting rights, shareholders who exercise voting rights electronically are deemed to be present in person, and related matters shall be handled in accordance with laws and regulations.

16. The resolutions of the Shareholders' Meeting shall be recorded in minutes, which shall be signed or sealed by the Chairman of the Shareholders' Meeting, and distribute the minutes of the meeting to all shareholders within 20 days after the meeting.

The minutes of the meeting shall be carried out by announcement.

The minutes of the meeting shall record the year, month, day, place, name of the Chairman, resolution method, essentials and results of the meeting, and shall be kept permanently during the existence of the Company.

Production and distribution of minutes of the meeting, electronic files shall be share on the virtual meeting platform.

4. Directors and Audit Committee

17. The Company has five to nine directors, all of whom are a person of full age and capacity. Term of office is three years, can be re-elected, cumulative voting by single registered name.

The Company has passed the resolution of the Board of Directors to purchase liability insurance for the directors of the Company in accordance with the scope of the business performed during their term of office

The total shareholding ratio of all directors of the Company shall not be less than Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

18. The Company shall have independent directors among the above-mentioned number of directors, and the number of independent directors shall not be less than three and shall not be less than one-fifth of all directors.

The election of the Company's directors (including independent directors) adopts the candidate nomination system in Article 192-1 of the Company Law, and is handled in accordance with the Company Law, the Securities Exchange Law and other relevant laws and regulations.

The election of directors shall be handled in accordance with Article 198 of the Company Law, independent directors and non-independent directors are elected together, and the number of elected persons is calculated separately. Those with more voting rights represented by the votes obtained will be elected as independent directors and non-independent directors. The professional qualifications, shareholding and part-time restrictions, independence determination, nomination and selection methods, exercise of powers and other compliance matters of independent directors shall be handled in accordance with the Securities Exchange Law and relevant laws and regulations.

19. When there are fewer than five directors due to dismissal, the Company shall hold a by-election at the latest shareholders meeting. However, when the vacancies of directors reach one-third or all independent directors resign, the Board of Directors shall elect an extraordinary general meeting within 60 days.

20. When the term of directors is about to expire but there is no time for election, Possibility to extend ongoing duties until the appointment of a new director.

21. The composition of the Board of Directors is that more than two-thirds of the directors present and more than half of the directors present agree to elect a Chairman from each other, and execute all the affairs of the Company in accordance with the laws, articles of association, Shareholders' Meeting and resolutions of the Board of Directors.

21-1. Board of Directors is made up of directors.

The functions and powers shall be handled in accordance with Article 202 of the Company Law as follows:

- (1) Manufacturing business plan.
- (2) Proposal for profit distribution or loss compensation.
- (3) Proposal for capital increase or decrease.
- (4) Approval of important rules and contracts.
- (5) Selection, appointment and dismissal of the general manager and managers of the Company.
- (6) Establishment and dissolution of branches.
- (7) Approved budget and final accounts
- (8) Other functions and powers conferred by the Company law or resolutions of the Shareholders' Meeting.

22. The Company's business policy and other important matters are resolved by the Board of Directors, except for the first meeting of the Board of Directors in accordance with Article 203 of the Company Law, the Board of Directors shall be convened by the Chairman and serve as the Chairman, when the Chairman is unable to perform his duties, the Chairman shall designate a director to act as the representative, and if not appointed, the directors shall recommend a representative from each other.

22-1. Reason for the convening of the Board of Directors shall be stated, and all directors shall be notified seven days in advance. However, it can be summoned at any time when there is an emergency, and it can be written, faxed and E-mailed.

22-2. Remuneration of the Chairman and directors is authorized to the Board of Directors according to the degree of participation in the Company's operations and the value of their contributions, and with reference to peers.

The Company may set reasonable remuneration for independent directors that are different from general directors. Directors of the Company who act as managers or employees may be treated as ordinary employees and receive additional salary, and various bonuses, dividends and benefits will be paid depending on the Company's operation and profit stat.

23. The board meeting shall be convened by the Chairman of the Board of Directors unless otherwise stipulated by the Company Law. Resolutions of the Board of Directors, unless otherwise provided by the Company Low, shall be attended by more than half of the directors, and shall be made with the consent of more than half of the directors present. When a director is unable to attend the meeting for any reason, he shall issue a power of attorney, enumerating the scope of authorization for the reason for the convening, and entrust other directors to attend the meeting on behalf of the director, but only one person shall be entrusted by one person.

The agency of directors shall be handled in accordance with Article 205 of the Company Law. When the Board of Directors meets, if it is attended by video conference, it is deemed to be present in person.

24. The proceedings of the Board of Directors shall be recorded in minutes, signed or sealed by the Chairman, and within 20 days after the meeting, the minutes shall be distributed to all directors, soft copy is available, The minutes of the meeting shall record the year, month, day, place, name of the Chairman, resolution method, key points and results of the meeting, and shall be kept permanently during the Company's existence.
25. The Company shall set up various functional special committees such as the audit committee in accordance with the relevant regulations of Securities and Exchange Act., and the audit committee shall be composed of all independent directors.

After the Company sets up the audit committee, it is responsible for implementing the duties and powers of the supervisor stipulated in the Company law, Securities and Exchange Act., other laws and regulations, the Company's articles of association and various regulations.

5. Manager

26. The Company may have a manager, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.
27. The Company may hire consultants and important staff through the resolution of the Board of Directors in accordance with the provisions of Article 23 of the Articles of Association.
28. Other employees of the Company are appointed and dismissed by the general manager and reported to the Board of Directors for approval.

6. Final Accounts

29. At the end of each fiscal year, the Board of Directors shall prepare (1) business reports, (2) financial statements, and (3) proposals for profit distribution or loss compensation, etc., and submit them to the shareholders' general meeting in accordance with the law, requesting approval.
30. If the Company makes profits in the year, no less than 0.5% (inclusive) should be appropriated as employee remuneration, and not more than 1% (inclusive) is the director's remuneration, however, when the Company still has accumulated losses, it should reserve the compensation amount in advance.

The recipients of the employee remuneration in the preceding paragraph may include the employees of the controlling or subordinate companies who meet certain conditions. Employee remuneration can be distributed in the form of stock (treasury stock, issuance of new stock) or cash, which should be specially resolved by the Board of Directors and submitted to the Shareholders' Meeting report.

- 30-1. If there is a surplus in the Company's annual final accounts, it will be distributed in the following order :
1. Pay income tax according to law.
 2. Compensation for previous years' losses.

3. 10% is withdrawn as the statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of the Company.
4. Set aside or reverse the special surplus reserve when necessary.
5. After deducting various balances, the Board of Directors will combine the balance with the previous annual earnings to prepare a distribution proposal, and request the Shareholders' Meeting to resolve the distribution.

The Company's dividend distribution policy depends on factors such as the Company's current and future investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, as well as taking into account the interests of shareholders, balancing dividends and the Company's long-term financial planning, etc. In accordance with Article 240, Item 5 of the Company Law, the Company authorizes the Board of Directors to have more than two-thirds of the directors present, and the resolutions of more than half of the directors present, dividends and bonuses that should be distributed, or all or part of the statutory surplus reserve and capital reserve stipulated in Article 241 of the Company Law, use cash to distribute and report to Shareholders' Meeting. The total amount of dividends for shareholders is the balance listed in Item 5 of the preceding paragraph plus the undistributed surplus at the beginning of the period, which is the total distributable surplus, select a ratio within the range of 2.5 percent to 15 percent to establish a surplus for allocation stock interest and dividends, the proportion of cash dividends distributed by shareholders is not less than 50% of the total stock interest of shareholders.

7. Supplementary Provisions

31. The Company's internal organizational regulations and working rules are formulated separately by the Board of Directors.
32. If there are any unspecified matters in the procedures of this chapter, please follow the Company Law and other laws and regulations.
33. This charter was established on October/19/1999.
First revised was on April/15/2000.
Second revised was on June/30/2000.
Third revised was on May/13/2002.
Fourth revised was on October/02/2002.
Fifth revised was on February/07/2003.
Sixth revised was on June/28/2005.
Seventh revised was on June/09/2006
Eighth revised was on February/20/2009.
Ninth revised was on March/03/2009
Tenth revised was on March/27/2009.
Eleventh revised was on May/18/2012.
Twelfth revised was on May/18/2012
Thirteenth revised was on May/24/2016.
Fourteenth revised was on August/21/2020.
Fifteenth revised was on July/01/2021.
Sixteenth revised was on June/17/2022.

APEX DYNAMICS, INC.

Shareholding of All Directors

【Appendices 3】

1. The rated capital of the Company is NT\$1,000,000,000, and the paid-in capital is NT\$801,713,510.
2. According to Article 26 of Securities and Exchange Act, the minimum number of shares held by all directors is 6,413,708 shares.
3. As of March 25, 2025, the shareholdings of individual and all directors recorded in the shareholder list are as follows:

Title	Name	Number of shares held by directors
Chairman	Chang, Chung-Hsing	29,023,554 shares
Directors	Chang, Yao-Tung	459,017 shares
Directors	Huang, Yu-Wen	193,003 shares
Directors	Hsu, Che-Chia	0 shares
Independent Director	Cheng, Wen-Cheng	0 shares
Independent Director	Chuang, Bor-Nian	0 shares
Independent Director	Tsai, Yu-Ching	0 shares
Total		29,675,574 shares

Note: The Company has an audit committee, so the regulation on the number of shares that a supervisor must hold is not applicable.