

**Asia Pacific Telecom Co., Ltd.**  
**2022 First Extraordinary Shareholders' Meeting**

**Meeting Handbook**

**Meeting Date: April 15, 2022 (Entity Meeting)**

**Venue: 2F., No. 12, Zhouzi St., Neihu Dist., Taipei City  
(Taipei Neihu International Meeting Room)**

# Table of Contents

<b>Chapter I. Meeting Procedure .....</b>	<b>1</b>
<b>Chapter II. Meeting Agenda.....</b>	<b>2</b>
I. Reports.....	3
II. Discussions .....	4
III. Election Matters .....	8
IV. Other Matters .....	9
V. Extemporaneous Motions .....	10
VI. Adjournment .....	10
<b>Chapter III. Attachment .....</b>	<b>11</b>
I. Audit Committee's Review Report.....	12
II. Merger Contract.....	13
III. Independent Expert Opinion on the Reasonableness of the Exchange Ratio of the Stock Swap .....	31
IV. List of Candidates for Director and Independent Director.....	40
V. Contents of the Company's Directors (Including Independent Directors) Proposed to be Released from Non-Compete Clause .....	42
<b>Chapter IV. Appendices .....</b>	<b>43</b>
I. Articles of Association .....	44
II. Rules of Procedure for Shareholders' Meetings .....	50
III. Procedures for Election of Directors .....	56
IV. Shareholding Status of All Directors .....	58

**Asia Pacific Telecom Co., Ltd.**  
**Meeting Procedure for 2022 First Extraordinary**  
**Shareholders' Meeting**

I. Calling the Meeting to Order

II. Chairman's Remarks

III. Reports

IV. Discussions

V. Election Matters

VI. Other Matters

VII. Extemporaneous Motions

VIII. Adjournment

# **Asia Pacific Telecom Co., Ltd.**

## **Agenda of 2022 First Extraordinary Shareholders' Meeting**

Meeting Time: 9:00 a.m., Friday, April 15, 2022

Venue: 2F., No. 12, Zhouzi St., Neihu Dist., Taipei City

(Taipei Neihu International Meeting Room)

- I. Calling the Meeting to Order
- II. Chairman's Remarks
- III. Reports
  - (I) The Audit Committee's review report of the Company for the merger between the Company and Far EasTone Telecommunications Co., Ltd.
- IV. Discussions
  - (I) The proposal of the merger between the Company and Far EasTone Telecommunications Co. Ltd.
  - (II) The proposal of the application for the termination of listing and trading of marketable securities, cessation of public offering and dissolution of the Company.
- V. Election Matters
  - By-election of directors.
- VI. Other Matters
  - The proposal of release of the Board of Directors (including independent directors) from the non-compete clause.
- VII. Extemporaneous Motions
- VIII. Adjournment

# Reports

- I. The Audit Committee's review report of the Company for the merger between the Company and Far EasTone Telecommunications Co., Ltd. , please review accordingly.

Explanation:

- (I) Proceed in accordance with Article 6 of the Business Mergers and Acquisitions Act.
- (II) The Audit Committee has reviewed the merger plan, fairness and reasonableness of the transaction between the Company and Far EasTone Telecommunications Co., Ltd., please refer to Page 12 in this Handbook for the report.

# Discussions

Proposal 1

Proposed by the Board of Directors

Proposal: Resolution of the merger between the Company and Far EasTone Telecommunications Co., Ltd.

Explanation:

- I. To consolidate resources and increase competitiveness, the Company proposes to merge with Far EasTone Telecommunications Co., Ltd. (Hereinafter referred to as “Far EasTone”) by way of an adsorption merger. After the merger, Far EasTone will be surviving company and the Company will be the dissolved company (hereinafter referred to as the “Merger”), and the merger Contract as described on pages 13 to 30 of this Handbook was signed on February 25, 2022.
- II. The Company and Far EasTone agree that if the Merger is approved by all competent authorities (including non-prohibited sanctions) and no breach of this Contract occurs that causes either party to request termination of this Contract, then on the Merger Date (tentatively September 30, 2022), Far EasTone Shall, in accordance with Article 3.2 of the Merger Contract and in accordance with legal procedures, based on the registered shares of ordinary shares held by each shareholder as shown on the Company’s shareholders’ register, deduct the ordinary shares by private placement of the Company held by Far EasTone . The exchange ratio of 0.0934406 registered ordinary shares of Far EasTone for 1 registered ordinary share of the Company will be swapped to the shareholders of the Company, subject to adjustment as provided in Article 4 of the Merger Contract. For the avoidance of doubt, the conversion of 1,500,000,000 shares of the Company’s ordinary shares by private placement into Far EasTone’s ordinary shares shall be subject to the restrictions on the transfer of private placement shares and related matters as stipulated in the relevant laws and regulations.
- III. Based on the 4,317,196,399 ordinary shares issued (including 1,500,000,000 private placement ordinary shares) on the signing date, deduct the number of shares of Far EasTone's private placement ordinary shares, Far EasTone expects to issue approximately 356,681,122 ordinary shares, with a par value of NT\$10 per share, to each shareholder listed on the Company’s shareholders’ register as a result of the Merger, and the total amount of newly issued shares is expected to be

approximately NT\$3,566,811,220. The actual number of shares to be issued is based on the actual total number of ordinary shares issued by the Company as of the Merger Date, deduct the number of private placement shares held by Far EasTone and the treasury shares of the Company (if any), based on the share exchange ratio.

- IV. If the shares to be exchanged are less than one share, Far EasTone shall pay for them in cash (up to "NT\$") on a pro-rata basis according to the issue price, and unconditionally round up to NT\$, and the Chairman of Far EasTone shall purchase the shares at the issue price. The Board of Directors of both parties shall have full discretion to change the handling of these fractional shares if it is required by applicable laws and regulations or operational needs.
- V. From the signing date to the base date of the Merger, if there is an adjustment of the share exchange ratio in accordance with Article 4 of the Merger Contract, the (Extraordinary) shareholders' meeting shall authorize the Chairman to agree on the adjustment of the share exchange ratio with Far EasTone mutually without holding a separate extraordinary shareholders' meeting.
- VI. The base date of the Merger is tentatively set at September 30, 2022. If the parties have not completed the Merger by the tentative base date because they have not obtained the approval of the National Communications Commission and the Fair Trade Commission does not prohibit the combination of sanctions, the parties shall continue to execute the Merger, but if the approval of the National Communications Commission and the Fair Trade Commission does not prohibit the combination of sanctions have not been obtained by December 31, 2022, the parties shall agree on the extension of the term and other related matters through friendly negotiations, and if no Contract is reached, either party may terminate this Contract. However, in the event of a breach of this Contract by either party, the non-breaching party may terminate or extend by notice to the other party until March 31, 2023, and in the event of such an extension as aforesaid, the parties shall negotiate amicably for the continuation thereof.
- VII. In connection with the implementation of the Merger, the (Extraordinary) Shareholders' Meeting is proposed to authorize the Chairman or his designee to act on behalf of the Company in all matters relating to the Merger, including but not limited to the preparation,

negotiation, signing of the Merger Contract and other documents and contracts relating to the Merger; making applications or reports to the competent authorities in accordance with the law; adding to or amending the Merger Contract, adjusting or changing the base date of the Merger or the share exchange ratio in accordance with the actual situation, relevant laws and regulations, the opinions of the competent authorities, and the provisions of the Merger Contract; and handling all outstanding matters relating to the Merger and the execution or adjustment of matters subsequent to the Merger or matters relating to the closing.

VIII. The Company has engaged an independent expert, Tzu-Chien, Chen CPA from Sun Rising Certified Public Accountants, to issue an opinion on the reasonableness of the share exchange ratio for the Merger, as described on pages 31 to 39 of this handbook.

IX. Please resolve.

Resolution:



## Proposal 2

Proposed by the Board of Directors

Proposal: Resolution of the application for the termination of listing and trading of marketable securities, cessation of public offering and dissolution of the Company.

### Explanation:

- I. After the proposed the Merger between the Company and Far EasTone Telecommunications Co., Ltd. is approved by the extraordinary shareholders' meeting and approved by the competent authority, the Company will apply to the Taiwan Stock Exchange for the termination of listing and trading of marketable securities, apply to the Financial Supervisory Commission for the suspension of public offering, and apply to the competent authority in the location of the Company for dissolution in accordance with the relevant laws and regulations.
- II. The extraordinary shareholders' meeting are requested to authorize the Chairman of the Board of Directors or his or her designee to handle the aforementioned matters and other necessary and relevant matters in connection with the merger and dissolution at their absolute discretion.
- III. Please resolve.

### Resolution:

# Election Matters

Proposed by the Board of Directors

Proposal: Please proceed with by-election directors.

Explanation:

- I. On February 23, 2022, the Company received a letter of resignation from Ms. Vivian Lee, the institutional director representative of Baoxin International Investment Co., Ltd. and independent director Mr. Shi Nine, Yang with the effective date on April 15, 2022; independent director Mr. Yi-Wen, Chen also resigned on November 30, 2021, resulting in a vacancy of one director and two independent directors. In accordance with Article 8 of the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers” and Article 15-1 of the “Articles of Association” of the Company, it is proposed for by-election of one director and two independent directors at the 2022 first extraordinary shareholders' meeting.
- II. The directors of the by-election will be appointed upon their election at 2022 first extraordinary shareholders' meeting for a term commencing on April 15, 2022 and ending on August 24, 2024 and will be eligible for re-election.
- III. The Company adopts a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act.
- IV. Please refer to Pages 40 to 41 in this Handbook for the list of candidates for directors and independent directors, the number of shares held and academic experience.
- V. Please refer to Page 56 to 57 in this Handbook for the "Procedures for Election of Directors".
- VI. Please proceed with the election.

Election Results:

# Other Matters

Proposed by the Board of Directors

Proposal: Proposal of release of the Board of Directors (including independent directors) from the non-compete clause.

Explanation:

- I. In accordance with Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
- II. For new directors, candidates for directors (including independent directors) concurrently hold positions in other companies and the positions added by directors, it is proposed to remove the restriction of non-compete in accordance with the provisions of the preceding paragraph.
- III. Please refer to Page 42 in this Handbook for the essential contents of new directors, candidates for directors (including independent directors) and directors from non-compete clause.
- IV. Please resolve.

Resolution:

# **Extemporany Motions**

## **Adjournment**

# Attachment

- I. Audit Committee's Review Report / 12
- II. Merger Contract / 13~30
- III. Independent Expert Opinion on the Reasonableness of the Exchange Ratio of the Stock Swap / 31~39
- IV. List of Candidates for Director and Independent Director/ 40~41
- V. Contents of the Company's Directors(Including Independent Directors) Proposed to be Released from Non-Compete Clause/ 42

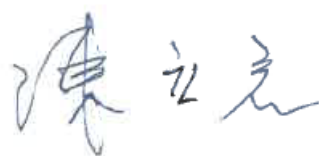
## **Asia Pacific Telecom Co., Ltd. Audit Committee's Review Report**

The Audit Committee has reviewed the merger plan, and the fairness and reasonableness of the transaction for the merger between the Company and Far EasTone Telecommunications Co., Ltd. and considers it has been presented fairly. According to Article 6 of the Business Mergers and Acquisitions Act, we hereby submit this Report for ratifications.

To:

Asia Pacific Telecom Co., Ltd.

Board of Directors / 2022 First Extraordinary Shareholders' Meeting



Convener of the Audit Committee : Li-Chun, Chen

February 25, 2022

## Attachments II

### Merger Contract

This Merger Contract ("**this Contract**") is made and entered into as of February 25, 2022 ("**Signing Date**"), by and between the following parties ("**the Covenantors**").

I. Far EasTone Telecommunications Co., Ltd. (hereinafter referred to as "**Party A**"), a company incorporated under the laws of the Republic of China, with the tax ID number 97179430, located at 28F., No. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City.

II. Asia Pacific Telecom Co., Ltd. (hereinafter referred to as "**Party B**"), a company incorporated under the laws of the Republic of China, with the tax ID number 70771579, located at 8F., No. 32, Jihu Rd., Neihu Dist., Taipei City. (collectively, Party A and Party B shall be referred to as the "**Parties**" and hereinafter individually as a "**Party**").

For the purpose of integrating resources and increasing competitiveness, both parties intend to carry out a merger in accordance with the Company Act, the Business Mergers and Acquisitions Act, other relevant laws and regulations, and the conditions set forth in this Contract (**the "Merger"**), and hereby agree to enter into the following terms and conditions of this Contract for mutual compliance:

#### Article 1 Merger Method

Party A and Party B intend to merge by "merger by absorption", with Party A being the surviving company after the merger and Party B being the dissolved company after the merger and will be dissolved due to the dissolution of the merger. The Chinese name of the surviving company after the effective date of the Merger is "遠傳電信股份有限公司" and the English name is "Far EasTone Telecommunications Co., Ltd." The registered address of the surviving company after the merger is 28F., No. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City.

#### Article 2 Capital, number, and type of shares issued before merger

##### 2.1. Capital, number, and type of shares issued by Party A before merger

2.1.1. Total of Party A as set forth in the prospectus on the date of execution is NT\$42,000,000,000 divided into 4,200,000,000 shares with a par value of NT\$10 per share, to be issued in installments; total paid-in capital is NT\$32,585,008,100 divided into 3,258,500,810 ordinary shares with a par value of NT\$10 per share.

2.1.2. As of the signing of the Contract, except for 3,258,500,810 common shares issued and outstanding, Party A has no other marketable securities of equity nature outstanding and there are no treasury shares.

##### 2.2. Capital, number and type of shares issued by Party B before merger

2.2.1. Total of Party B as set forth in the prospectus on the date of execution is NT\$65,680,000,000 divided into 6,568,000,000 shares with a par value of NT\$10 per share, to be issued in installments; total paid-in capital is NT\$43,171,963,990 divided

into 4,317,196,399 ordinary shares (Including private placement of 1,500,000,000 shares) with a par value of NT\$10 per share.

2.2.2.As of the signing of the Contract, except for 4,317,196,399 common shares issued and outstanding, Party B has no other marketable securities of equity nature outstanding and there are no treasury shares.

### Article 3 Merger Consideration

3.1.The share exchange ratio of the Merger was agreed by the parties based on the financial reports of both parties reviewed by the accountants for the third quarter of 2021 and the self-assessed financial reports of both parties for the fourth quarter of 2021, and on the basis of the opinion on the reasonableness of the Merger Consideration issued by the independent experts appointed by the parties with reference to the Company's business condition, share market price, net value per share, and other factors that may affect the Merger Consideration.

3.2.Except for the common shares of Party B held by Party A and the treasury shares of Party B (if any), which shall be eliminated together at no consideration on the base date of the Merger, Party A shall exchange 0.0934406 common shares of Party A for every 1 common share of Party B (the "**Merger Consideration**"). For the avoidance of doubt, the shares of Party A exchanged for 1,500,000,000 shares of Party B's original private placement ordinary stock shall be subject to the restrictions on transfer of private placement shares and related matters under the relevant laws and regulations, except for the ordinary shares of Party B held by Party A as a result of the private placement, which shall be eliminated at no consideration on the basis date of the merger.

3.3.If, in accordance with the Merger Consideration set forth in Article 3.2, the number of shares of ordinary shares to be issued by Party B as a result of the Merger is 3,817,196,399 after deducting the 500,000,000 shares of ordinary shares held by Party A from the 4,317,196,399 shares of ordinary shares issued by Party B as of the date of the execution of the Contract, Party A is expected to issue approximately 356,681,122 shares of ordinary shares as a result of the Merger (the "**Total Number of New Shares Expected to be Issued by the Merger**"). Approximately 93,440,600 of these shares are private placement ordinary shares with a par value of NT\$10 per share, for a total estimated new shares issuance of approximately NT\$3,566,811,220. The actual number of shares issued will be based on the total number of shares of common stock of Party B as of the base date of the Merger, less the number of shares of ordinary shares of Party B held by Party A and the number of treasury shares of Party B (if any). With the exception of the private placement of ordinary shares of Party A that are exchanged for the private placement of ordinary shares of Party B, the rights and obligations of the ordinary shares of Party A issued in connection with the Merger shall be the same as the original ordinary shares of Party A issued.

3.4.If any of the shares of Party A to be exchanged under the Merger Consideration is less than one fractional share, Party A shall pay for it in cash (up to "NT\$ dollar") on a pro-rata basis according to the issue price, and unconditionally round off the amount below NT\$ dollar, and the Chairman of Party A shall negotiate with a specific person to take up the shares at the issue price. The Board of Directors of both parties or his or her appointee shall have full discretion to change the handling of these fractional shares if it is required by applicable laws and regulations or operational needs.



#### Article 4 Adjustment of Merger Consideration

- 4.1. In the event of any of the following events occurring from the signing date until the base date of the Merger, the Parties shall promptly agree to adjust the Merger Consideration as set forth in Article 3.2 of this Contract, unless otherwise provided in this Contract, and shall agree upon such adjustment within 10 business days after the occurrence of each such event. The Parties shall, at the respective board of directors' and shareholders' meetings (or only Party B if Party A is not required by law to convene a shareholders' meeting to resolve the Merger), together submit a resolution to the board of directors' and shareholders' meetings authorizing the Chairmen of the Parties to agree on the adjustment of the Merger Consideration without convening a separate board of directors' and shareholders' meeting to resolve the Merger.
- 4.1.1. In the event that any of the parties engages in cash capital increase, issuance of convertible bonds, allotment of shares without consideration, issuance of bonds with warrants, preferred shares with warrants, warrants and other marketable securities with equity nature.
- 4.1.2. If either party repurchases treasury shares (other than those held by shareholders who have legally expressed disagreement with the Merger) or other events that would result in a change in the shares of that party, dilution or risk of dilution.
- 4.1.3. If either party acquires or disposes of significant assets in a manner that materially affects the Company's financial or business operations.
- 4.1.4. In the event of a major disaster, technological change or other significant adverse change in either party that affects the Company's shareholders' equity or the price of securities.
- 4.1.5. Changes in the number of entities or companies involved in the merger.
- 4.1.6. Any other adjustment of the Merger Consideration that is required by law, approved by the competent authorities, or is necessary for the smooth approval of the Merger by the competent authorities.
- 4.1.7. If either party breaches the representations and warranties in Article 8 or the undertakings in Article 9 of this Contract, and the result of such breach has a material effect on the financial or business operations of such breaching party.
- 4.1.8. For purposes of Article 4.1.3 and Article 4.1.4 of this Contract only, "material" means a single event or events of such magnitude that the net worth of either party as shown in the most recently audited or reviewed consolidated financial statements of the Accountants is, or is reasonably expected to be, increased or decreased by 5% or more in comparison to the net worth of such party as of December 31, 2021, as audited or reviewed by the accountants.
- 4.2. After the adjustment of the Merger Consideration as stipulated in Article 4 of this Contract, both parties shall apply for, report or amend the required licenses, approvals or consents to the relevant competent authorities in accordance with the law.

Article 5            Articles of Association, capitalization, number and type of shares issued by the surviving company after the merger

- 5.1. The total capital of the surviving company after the Merger is NT\$42,000,000,000 divided into 4,200,000,000 shares with a par value of NT\$10 per share, to be issued in installments; after the issuance of additional ordinary shares in accordance with Article 3.3, the total paid-in capital is tentatively set at NT\$36,151,819,320 divided into 3,615,181,932 shares.
- 5.2. There is no need to amend the Articles of Association of Party A as a result of the Merger, and the Articles of Association of Party A after the Merger shall be the same as the Articles of Association in effect on the date of the signing of the Contract between Party A and Party A.

Article 6            Merger Schedule

- 6.1. The base date of the Merger is tentatively set at September 30, 2022. The Merger shall be permitted or approved by the board of directors of both parties, the shareholders' meeting (or only Party B if Party A is not required to convene a shareholders' meeting by law) and the relevant competent authorities.
- 6.2. The Parties shall each convene a board of directors' meeting and a shareholders' meeting (if Party A is not required to convene a shareholders' meeting by law, then only Party B) by April 15, 2022 to approve the Merger and this Contract.
- 6.3. If the parties have not completed the Merger by the tentative base date mentioned in Article 6.1 because they have not obtained the approval of the National Communications Commission and the Fair Trade Commission does not prohibit the combination of sanctions, the parties shall continue to execute the Merger, but if the approval of the National Communications Commission and the Fair Trade Commission does not prohibit the combination of sanctions have not been obtained by December 31, 2022, the parties shall agree on the extension of the term and other related matters through friendly negotiations, and if no Contract is reached, either party may terminate this Contract. 6.1 However, in the event of a breach of this Contract by either party, the non-breaching party may terminate or extend by notice to the other party until March 31, 2023, and in the event of such an extension as aforesaid, the parties shall negotiate amicably for the continuation thereof.

Article 7            Prerequisites for the completion of the Merger

- 7.1. The obligation of either party to complete the Merger is subject to the condition that all of the following conditions have been fully satisfied (or waived by mutual consent) prior to the Merger Base Date.
- 7.1.1. The Merger has obtained the necessary licenses, consents or approvals from the Financial Supervisory Commission, the Taiwan Stock Exchange, the National Communication Commission, the Fair Trade Commission and other relevant authorities. If the permit, consent or approval is subject to any condition or restriction that materially affects our business or operations, we shall be able to comply with it

upon our reasonable confirmation; and

7.1.2.no competent authority or court shall make any order, decision or restriction that prohibits or limits the completion of the Merger.

7.2.In addition to the conditions set forth in Article 7.1, the obligation of Party A to complete the Merger is subject to the condition that all of the following conditions have been fully satisfied (or waived with Party A's consent) prior to the Merger Base Date:

7.2.1.The Board of Directors and the Shareholders' Meeting of Party B agree to the Merger and this Contract;

7.2.2.Party B has obtained prior permission, consent or approval from any third party (including, but not limited to, the exercise of certain rights by the counter-party to the contract without such permission, consent or approval) under the Contract or the Act to carry out the Merger, and has obtained such permission, consent, approval or exemption;

7.2.3.After the shareholders' meeting at which Party B votes to approve this Contract and this Merger, the percentage of dissenting shares to Party B's issued and outstanding shares (including private placement shares) shall not exceed 10%;

7.2.4.From the signing date to the Merger Base Date, except as disclosed by Party B in writing prior to the signing date, nothing has occurred that is materially adverse to the business, finances, assets or operations of Party B or, to the best of Party B's knowledge or that Party B should have known after reasonable investigation, the results of which could be materially adverse;

7.2.5.The representations and warranties made by Party B in Article 8.2 shall remain valid and true; and

7.2.6.Party B has fulfilled its obligations and commitments under this Contract and the undertakings in Article 9.2.

7.3.In addition to the conditions set forth in Article 7.1, the obligation of Party B to complete the Merger is subject to the condition that all of the following conditions have been fully satisfied (or waived with Party B's consent) prior to the Merger Base Date:

7.3.1.The board of directors and the shareholders' meeting of Party A (if Party A is not required by law to hold a shareholders' meeting, then this shall not apply) agree to the Merger and this Contract;

7.3.2.Party A has obtained prior permission, consent or approval from any third party (including, but not limited to, the exercise of certain rights by the counter-party to the contract without such permission, consent or approval) under the Contract or the Act to carry out the Merger, and has obtained such permission, consent, approval or exemption;

7.3.3.From the signing date to the Merger Base Date, there has been no event that has had a material adverse effect on the business, finances, assets, or operations of Party A or,

to the best of Party A's knowledge or that Party A should have known after reasonable investigation, the outcome of which could have been materially adverse.

7.3.4. The representations and warranties made by Party A in Article 8.1 shall remain valid and true; and

7.3.5. Party B has fulfilled its obligations and commitments under this Contract and the undertakings in Article 9.1.

## Article 8 Representations and Warranties

8.1. Party A declares and warrants to Party B that the following are true and correct as of the signing date and as of the Merger Base Date:

8.1.1. Legal Establishment and Continuance of the Company: Party A is a limited company established and registered under the Company Act of the Republic of China and is still in legal existence, and has obtained all necessary licenses, approvals, permits and other certificates to conduct its business. Party A has been dissolved, liquidated, filed a petition for bankruptcy, reconciliation, or reorganization on its own without a valid resolution, or has been granted dissolution, reconciliation, reorganization or declared bankruptcy by a court ruling, order or in accordance with relevant laws, or has been subject to discontinuance of business, dissolution of the Company, revocation of establishment permit or revocation of business license by a competent authority in accordance with law.

8.1.2. Registered and paid-in capital of the Company: As of the signing date, the registered and paid-up capital and issued shares of Party A are as set forth in Article 2.1 of this Contract. As of the signing date, the issued shares of Party A have been legally authorized and issued, and the payment for the shares has been received in full. Party A has not issued any other marketable securities of an equity nature and has not issued, offered, or entered into any other rights, options, warrants, convertible or exchangeable securities, rights of first refusal, pre-emption rights, or legally enforceable commitments to enable others to acquire Party A shares, and has not committed or provided any benefit participation or similar rights to enable others to obtain the same rights as shareholders of Party A ordinary shares. Party A does not have any obligation to redeem, buy back or otherwise acquire its shares.

8.1.3. Approval and permission: On or prior to the signing date, the Board of Directors of Party A has resolved to enter into this Contract and authorized the Chairman of the Board of Directors or his or her designee to enter into this Contract on behalf of the Company. Except for the resolution of the shareholders' meeting of Party A (which shall not apply if Party A is not required to convene a shareholders' meeting by law) and the permission of the relevant governmental authorities, Party A shall not be required to obtain any other authorization, approval, permission, reporting or consent for the execution and performance of this Contract.

8.1.4. Legality of this Contract: The signing and fulfillment of this Contract by Party A does not violate: (1) the provisions of any existing laws and regulations; (2) the decisions, orders or penalties of the courts or relevant authorities; (3) the Articles of Association and internal regulations of Party A; (4) any contract, Contract,

declaration, promise, guarantee, warranty, covenant or other obligation by which Party A shall be regulated by law.

8.2. Party B represents and warrants to Party A that the following are true and correct as of the signing date and as of the Merger Base Date:

8.2.1. Legal Establishment and Continuance of the Company: Party B is a limited company established and registered under the Company Act of the Republic of China and is still in legal existence, and has obtained all necessary licenses, approvals, permits and other certificates to conduct its business. Party B has been dissolved, liquidated, filed a petition for bankruptcy, reconciliation, or reorganization on its own without a valid resolution, or has been granted dissolution, reconciliation, reorganization or declared bankruptcy by a court ruling, order or in accordance with relevant laws, or has been subject to discontinuance of business, dissolution of the Company, revocation of establishment permit or revocation of business license by a competent authority in accordance with law.

8.2.2. Registered and paid-in capital of the Company: As of the signing date, the registered and paid-up capital and issued shares of Party B are as set forth in Article 2.2 of this Contract. As of the signing date, the issued shares of Party B have been legally authorized and issued, and the payment for the shares has been received in full. Party B has not issued any other marketable securities of an equity nature and has not issued, offered, or entered into any other rights, options, warrants, convertible or exchangeable securities, rights of first refusal, pre-emption rights, or legally enforceable commitments to enable others to acquire Party A shares, and has not committed or provided any benefit participation or similar rights to enable others to obtain the same rights as shareholders of Party A ordinary shares. Party B does not have any obligation to redeem, buy back or otherwise acquire its shares.

8.2.3. Approval and permission: On or prior to the signing date, the Board of Directors of Party A has resolved to enter into this Contract and authorized the Chairman of the Board of Directors or his or her designee to enter into this Contract on behalf of the Company. Except for the resolution of the shareholders' meeting of Party B and the permission of the relevant governmental authorities, Party B shall not be required to obtain any other authorization, approval, permission, reporting or consent for the execution and performance of this Contract.

8.2.4. Legality of this Contract: The signing and fulfillment of this Contract by Party B does not violate: (1) the provisions of any existing laws and regulations; (2) the decisions, orders or penalties of the courts or relevant authorities; (3) the Articles of Association and internal regulations of Party B; (4) any contract, Contract, declaration, promise, guarantee, warranty, covenant, or other obligation by which Party B shall be regulated by law.

8.2.5. Financial Statements and Financial Information: The financial statements of the Party have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRSs), and are sufficient to present fairly the financial and operating conditions of the Party B for the period covered by the financial statements, and are free from any falsification, concealment, or misrepresentation.

- 8.2.6.Litigation and non-litigation events: Except for cases in which loss in litigation has been disclosed or estimated in Party B's financial statements or disclosed in writing by Party B prior to the date of execution of the Contract, there are no litigation, arbitration, non-litigation or administrative dispute or criminal proceedings, or written requests or claims in respect of interests that would have a material adverse effect on Party B's business, financial, property, operations or shareholders' equity, and to Party B's knowledge, there are no litigation, arbitration, non-litigation or administrative dispute or criminal proceedings, or written requests or claims in respect of interests that would have a material adverse effect on Party B's business, financial, property, operations or shareholders' equity. No litigation, arbitration, non-contentious or administrative proceedings, criminal investigation proceedings or any written claim by a third party against any of its directors or managers in connection with the performance of their duties will have a material adverse effect on the business, financial, property, operations, or shareholders' interests of Party B.
- 8.2.7.Assets and liabilities: The financial statements of Party B set forth its assets and liabilities as of the date of the financial statements, and Party B has legal title, right to use or other legal interest in all of its assets listed therein, and its use, income and disposal are not subject to any restrictions or limitations other than those disclosed in the financial statements of Party B or the notes thereto. There has been no material change in the assets and liabilities of Party B between the Base Date of the Financial Statements and the signing date of this Contract and the Base Date of the Merger that would have any material adverse effect on Party B's business or financial, operational or shareholders' equity, except for the transactions between Party B and Party A for the purposes of this Merger or those transactions that have been signed and are in progress between the parties.
- 8.2.8.Contingent liabilities: Except as expressly set forth in the financial statements of Party B or as advised by Party B, there are no contingent liabilities that would have any material adverse effect on the business, operations or finances of Party B.
- 8.2.9.Derivative commodity trading: All derivative positions (if any) held by Party B or derivative trading conducted or in progress are in compliance with relevant laws and regulations and internal control and risk control regulations, and there is no violation of laws and regulations and internal control and risk control regulations.
- 8.2.10.Related party transactions: Except for those disclosed in the financial statements of Party B, Party B has no other related party transactions, and each related party transaction is in compliance with the laws and regulations, and there is no transaction that does not conform to business practices.
- 8.2.11.Contract and Commitments: Except for those disclosed by Party B in writings before the signing date, there is no material breach of all material contracts in force by Party B.
- 8.2.12.Labor Relations: (1) Party B has provided employees with health insurance, pensions, employee benefits and other related employee benefits in accordance with the laws and regulations of the ROC; (2) Party B has no major labor disputes, no major violations of relevant labor laws or disciplinary actions by the labor

authorities, and no strikes or work stoppages against Party B; and (3) Party B's employees have formed a labor union, but Party B has not signed any group Contract.

- 8.2.13. Intellectual Property Rights: Party B is the legal owner of its intellectual property rights and there is no mortgage, pledge or other security right or any burden on such intellectual property rights. Except for the pre-existing authorization contract, Party B does not assign, license, trust or other disposition of its intellectual property rights. There is no third party claiming infringement or disagreement regarding the intellectual property rights of Party B. The computer software currently used by Party B is legally entitled to be used and does not infringe upon the rights of third parties.
- 8.2.14. Taxation: Party B has filed all taxation completely and correctly in accordance with the law, and has completed the payment in accordance with the law. There is no tax dispute between Party B and the competent authority that is in progress or of which Party B is aware that may arise.
- 8.2.15. Legal compliance: Except as disclosed in the financial statements or in the notes thereto, the business and operations of Party B comply in material respects with the relevant laws of the Republic of China and the regulations and orders issued by the competent authorities.
- 8.2.16. Statutory declarations or statements: Party B has timely filed any reports, registrations, or other documents in material respects in accordance with the relevant laws and regulations of the ROC and has paid all fees in a timely manner. All of the statutory declarations or statements made by Party B have complied with the requirements of the relevant laws and regulations in material respects, and do not contain any untrue statements or intentional concealment.
- 8.2.17. Truly complete documentation: Any documents provided to Party A for the Merger, including but not limited to disclosures, related transaction documents, financial statements or any information contained in any certificate issued by Party B, have disclosed all contracts or other documents that may have a material adverse effect on or limit the rights of Party B and are true and correct in all material respects, and are free from untruth, falsification, or concealment.
- 8.2.18. Miscellaneous: There is no other material breach of law or loss of credit by Party B that would affect the continued operation of the Company.
- 8.2.19. Disclosure of post-term events: If Party B becomes aware of any errors, omissions, or untrue or incorrect representations and warranties made by Party B pursuant to this Section as of the Base Date of the Merger, and such errors, omissions, untrue or incorrect representations or warranties are events that have a material adverse effect on Party B's operations and are sufficient to affect the assessment of Party A with respect to the Merger, Party B shall promptly notify Party A in writing and correct or update the disclosure.

9.1. Party A undertakes to comply with the following requirements from the signing date to the base date of the Merger:

9.1.1. Party A shall notify Party B immediately upon becoming aware of any breach by Party A of any representation, warranty or covenant in this Contract, or of any event sufficient to render any representation or warranty in Article 8.1 of this Contract no longer true and correct.

9.1.2. No act or omission shall be taken which could reasonably be expected to result in the failure to fulfill the conditions precedent set forth in Article 7.1 and Article 7.3 of this Contract or to render the representations and warranties in Article 8.1 of this Contract untrue or incorrect.

9.1.3. Party A shall continue its normal business, comply with the ROC laws and regulations and the orders of the competent authorities, and operate its business and maintain its business relationship with the counterparties in good faith and with the due diligence of a good manager.

9.1.4. For the purpose of the Merger, permission, consent or approval of third parties or counterparties shall be obtained in accordance with contracts or laws and regulations.

9.1.5. Party A shall expeditiously process to obtain the approval of the competent authorities for the Merger, including but not limited to the effective filing of the report of the Financial Supervisory Commission for the Merger, the application of the Taiwan Stock Exchange for the issuance of new shares, the combined filing of the Fair Trade Commission, the approval of the National Communication Commission, or the permission, consent or approval of other competent authorities.

9.1.6. Within 90 days after the signing date of the contract, the Party A and the Party B shall promptly prepare an employee placement plan.

9.2. Party B undertakes to comply with the following requirements from the signing date to the base date of the Merger:

9.2.1. Party B shall notify Party A immediately upon becoming aware of any breach by Party B of any representation, warranty or covenant in this Contract, or of any event sufficient to render any representation or warranty in Article 8.2 of this Contract no longer true and correct.

9.2.2. No act or omission shall be taken which could reasonably be expected to result in the failure to fulfill the conditions precedent set forth in Article 7.1 and Article 7.2 of this Contract or to render the representations and warranties in Article 8.2 of this Contract untrue or incorrect.

9.2.3. Party B shall continue its normal business, comply with the ROC laws and regulations and the orders of the competent authorities, and operate its business and maintain its business relationship with the counterparties in good faith and with the due diligence of a good manager. Party B also agrees to control its total liabilities not to exceed NT\$18 billion and net liabilities not to exceed NT\$8 billion. The term "**total liabilities**" in this section refers to the total liabilities in the latest reviewed or



audited financial statements prior to the date of the Merger; the term "**net liabilities**" in this section refers to short-term borrowings (including short-term notes payable) plus long-term borrowings (including maturities of one year or within one business cycle) less cash and cash equivalents in the latest reviewed or audited financial statements prior to the date of the Merger; except for the increase in liabilities for the purpose of the Merger's employee placement plan or other matters agreed by both parties.

- 9.2.4. Party B shall cooperate with Party A to obtain approval from various authorities for the Merger, including but not limited to the Financial Supervisory Commission for the effective filing of the merger issue of new shares, the combined filing of the Fair Trade Commission, the approval of the National Communication Commission, or the permission, consent, or approval of other authorities.
- 9.2.5. Party B shall obtain the approval of each of the competent authorities for the Merger, including but not limited to the approval of the National Communication Commission and the termination of listing on the Taiwan Stock Exchange.
- 9.2.6. For the purpose of the Merger, permission, consent or approval of third parties or counterparties shall be obtained in accordance with contracts or laws and regulations.
- 9.2.7. Without Party A's prior written consent, Party A shall not directly or indirectly negotiate with a third party for the following transactions: (1) All types of merger and acquisition transactions regulated by the Business Merger and Acquisition Act; (2) strategic alliances, joint ventures, investments, or cooperation in any manner with third parties in connection with telecommunications equipment/network construction (except for cooperation transactions and necessary interoperability between Party B and Chunghwa Telecom Co.); (3) entering into, modifying or terminating contracts for leasing, entrusting or co-operating with others for the entire business; (4) transferring all or a substantial part of the business or property; (5) transferring all of the business or property of another; (6) any transaction with similar effect to (1) through (5) above; the Company shall not enter into any contract, agreement, promise, letter of intent, or memorandum of understanding with any person in connection with any of the foregoing transactions or any other transaction that has a material effect on the Company's interests. If Party B receives a request from any third party to negotiate or carry out such transactions, Party B shall immediately notify Party A.
- 9.2.8. Without the written consent of Party A, no change in organizational structure, substantial increase in the number of employees, or promotion of employees' ranks shall be allowed. Except as provided in this Contract or in the employee placement plan agreed by both parties, there shall be no change in the employment contracts, labor conditions or other contractual agreements of Party B's employees as a result of the Merger; nor shall Party B's employees be entitled to claim benefits, welfare or rights other than those provided in the original contracts and labor conditions as a result of the Merger. No change of chairman or general manager shall be allowed without the written consent of Party A.
- 9.2.9. Employees' seniority in the old system shall be settled before the base date of the Merger.

- 9.2.10. Within 90 days after the signing date, the necessary information shall be provided to Party A for the parties to negotiate the organizational adjustment and employee placement plan, which shall take place before the base date of the Merger.
- 9.2.11. Except for general consumer complaints or cases where the amount in dispute does not exceed NT\$100,000, Party A shall be notified immediately upon receipt of any litigation, arbitration, non-litigation matter, administrative investigation or any request or proceeding in dispute, or upon becoming aware of the possibility of such request or proceeding.
- 9.2.12. Within 90 days after the signing date, a board of directors' meeting shall be held to discuss and formulate an operational performance optimization plan, and the plan shall be implemented as soon as possible after the board of directors' meeting resolves, to enhance the shareholders' equity of Party B. To the extent permitted by law, Party B may make reference to Party A's proposal to develop an operational performance optimization plan.
- 9.3. Party B undertakes not to do any of the following acts from the signing date to the base date of the Merger, unless otherwise agreed in this Contract or with the prior written consent of Party A:
- 9.3.1. Except for the acquisition of shares of a dissenting shareholder in accordance with Article 12 of the Business Mergers and Acquisitions Act, the total paid-in capital as set forth in Article 2.2 shall be changed in any manner.
- 9.3.2. Acquire or dispose of (including but not limited to the establishment of security interests) any assets that are not included in the annual budget or plan.
- 9.3.3. Amend the Articles of Association.
- 9.3.4. To settle or enter into a settlement contract in response to a lawsuit, administrative dispute or remedial proceeding (including arbitration and mediation with the same effect as a final judgment) brought by a third party, or in response to an ongoing lawsuit, administrative dispute or remedial proceeding (including arbitration and mediation with the same effect as a final judgment); except for legal proceedings in response to a lawsuit, administrative dispute or remedial proceeding (including arbitration and mediation with the same effect as a final judgment) brought by a third party, or in response to a dispute with a consumer where the amount of each case does not reach NT\$30,000.
- 9.3.5. Exclusively license, assign, create, dispose of, or similarly act with respect to any intangible asset (e.g., intellectual property rights).
- 9.3.6. Enter into or undertake to enter into related party transactions other than those arising from ordinary operating activities and consistent with past operating practices.
- 9.3.7. Sign or commit to sign a contract with a term of more than one year or a transaction amount of NT\$100 million or more.
- 9.3.8. Lend funds to others or endorse guarantees.

9.3.9.Engage in derivative transactions.

9.3.10.Other actions that materially affect financial, business or operations.

9.4.Any release, disclosure, or announcement by either party of any information related to this Contract or the Merger shall be made only after the other party has previously confirmed the contents of such information with the other party.

#### Article 10 Labor Item

The retention and rights of Party B's employees in the Merger shall be handled in accordance with the Business Merger and Acquisition Act and relevant Labor Acts in protecting the legal rights and interests of employees.

#### Article 11 Disposal of Disputed Shares

11.1.If any shareholder disagrees with the Merger and the resolution to sign this contract in accordance with the relevant provisions of the Business Merger and Acquisition Act and requests to buy back its shares, such party shall buy back the shares held by the disagreeing shareholder in accordance with the provisions of the Business Merger and Acquisition Act and the Company Act.

11.2.The repurchase of shares by both parties in accordance with the preceding paragraph shall be governed by Article 13 of the Business Mergers and Acquisitions Act.

11.3.If any shareholder of Party B exercises the right to disagree with the purchase request, Party B shall immediately notify Party A and keep Party A informed of the status of the negotiation between Party A and the disagreeing shareholder. Without the written consent of Party A, Party B shall not accept the Shareholder's request for the purchase price, propose any purchase price, make any payment in connection therewith, or enter into any covenant or settlement in the court proceedings for the determination of the price. However, Party B shall pay the fair price mutually agreed by Party A and Party B in accordance with Article 12, Paragraph 6 of the Business Mergers and Acquisitions Act, except for this limitation.

#### Article 12 Notice and announcement of creditors

12.1.Within 10 days after the shareholders' meeting of each party (if Party A is not required to hold a shareholders' meeting by law, Party B's shareholders' meeting shall prevail), Party A and Party B shall notify and announce the Merger to its creditors separately and specify a period of at least 30 days for each creditor to raise objections within the period.

12.2.If any creditor objects within the above-mentioned period, the parties shall deal with the matter in accordance with the relevant laws and regulations. Party B shall obtain Party A's consent before dealing with any objection from creditors.

#### Article 13 Changes in the number of companies involved in mergers

If, prior to the Base Date of the Merger, the parties agree that other companies shall join the Merger, then the procedures and acts that have been completed in accordance with the laws of

the Republic of China shall be repeated by all companies that intend to participate in the Merger, and all participating entities shall jointly enter into a new Merger Agreement in connection with the Merger.

#### Article 14 Rights and obligations after the Merger

As of the base date of the Merger, all assets, liabilities and all rights and obligations of Party B shall be assumed by Party A in general.

#### Article 15 Taxes and Fees

All taxes and fees (including but not limited to attorney, accountant, and other consultant fees) incurred in connection with the signing or performance of this contract shall be borne by each party. However, in the event that this contract is terminated due to a breach of contract, the former taxes and fees shall be borne by the party to whom they are attributable.

#### Article 16 Breach of contract

16.1.If Party B breaches any of its representations, warranties or undertakings in this Contract, or if this Contract is terminated or discharged for any reason attributable to Party B, Party B shall indemnify Party A against all losses, damages and expenses suffered by Party A as a result thereof, including interest, late interest, liquidated damages and reasonable legal fees ("Losses"), and shall use its best endeavours to hold Party A harmless from further losses.

16.2.If Party A breaches any of its representations, warranties or undertakings in this Contract, or if this Contract is terminated or discharged for any reason attributable to Party A, Party A shall indemnify Party B against any loss suffered by Party B as a result thereof and shall use its best endeavours to hold Party B harmless from further loss.

16.3.If the material breach by the defaulting Party causes the non-defaulting Party to terminate or rescind this Contract in accordance with Article 17.1.3 hereof, the non-defaulting Party may request the defaulting Party to pay punitive damages of NT\$2,600,000,000 (including damages and costs incurred in connection with the preparation of this Contract and the performance of the transactions contemplated hereby).

16.4.Notwithstanding anything to the contrary in this Contract, neither party shall be liable to the other for indirect losses (including, but not limited to, lost revenue, lost business opportunities and estimated benefits).

#### Article 17 Termination of Contract

17.1.Prior to the base date of the Merger, this Contract shall be terminated or canceled for the following reasons:

17.1.1.The parties agree in writing to terminate or cancel this contract;

17.1.2.Termination of this Contract by either party without default in accordance with Article 6.3.

- 17.1.3.If either party fails to perform or breaches any of its obligations, undertakings or representations and warranties under this Contract, and if the breach is of a nature that cannot be corrected, or if the breach can be corrected but is not corrected or is incomplete within 30 days after receipt of written notice from the other party, the party not in breach may terminate or cancel this Contract by written notice to the other party; or
- 17.1.4.Either party shall have the right to terminate or rescind this Contract by written notice to the other party upon an order, ruling, judgment or any other legal action taken by a court or governmental authority to restrain, suspend or prohibit this Merger.
- 17.2.Termination or cancellation of this Contract shall not affect the obligations of the parties (including, but not limited to, liability for damages and liquidated damages) incurred prior to such termination or cancellation.
- 17.3.The provisions of Article 18 of this Contract shall survive the termination or cancellation of this Contract for a period of three years.

#### Article 18      Obligation of Confidentiality

- 18.1.Except as otherwise provided by law or as otherwise provided in this Contract, the parties agree that documents, data, files, objects, plans, trade secrets and other information marked as confidential or proprietary ("**Confidential Information**") obtained from other parties for the purposes of the Merger shall be kept confidential. No other party receiving confidential information ("**Recipient**") shall distribute, divulge, or disclose any confidential information to any third party in any manner or form without the prior written consent of the party providing the confidential information ("**Provider**"). The aforesaid confidentiality obligations shall not apply in the following cases:
- 18.1.1.The Recipient shall certify that the Confidential Information is publicly known or, subject to this Contract, is publicly available.
- 18.1.2.The Recipient shall certify that it has knowledge of the Confidential Information prior to the provision of the Confidential Information by the Provider.
- 18.1.3.The Recipient shall prove that the Confidential Information was obtained from a third party without any obligation of confidentiality.
- 18.1.4.The Recipient shall certify that the Confidential Information is developed by the Recipient.
- 18.2.If the Recipient is required by law or by order of a court or government agency to disclose confidential information, the Recipient shall, to the extent permitted by law, immediately notify the Provider in writing when disclosure is legally required or upon receipt of such order, and assist the Provider in taking reasonable protective measures and disclose the relevant confidential information to the minimum extent possible.

18.3.The collection, use or processing of personal information by either party and its authorized personnel in connection with the merger shall comply with the provisions of the Personal Data Protection Act.

#### Article 19 Other contractual matters

19.1.The interpretation, validity and performance of this Contract shall be governed by the laws of the R.O.C. Any matters not covered by this Contract shall be governed by the relevant laws and regulations.

19.2.The parties agree that all disputes arising out of or relating to this Contract shall first be resolved by amicable negotiation, and if such negotiation fails, the parties agree that the Taipei District Court of Taiwan shall be the court of first instance for the relevant disputes.

19.3.The failure or delay of a party to exercise any right, authority or remedy shall not preclude that party from exercising such right, authority, or remedy in the future. Any right, authority, and remedy of either party under this Contract shall survive unless such party expressly waives such right, authority and remedy in writing.

19.4.The invalidity, illegality, or unenforceability of any provision of this Contract by a court decision shall not affect the validity of any other provisions of this Contract.

19.5.If any of the terms and conditions of this Contract are changed in accordance with the instructions of the relevant competent authorities or laws, or if there is a need to amend them due to actual needs, the relevant terms and conditions shall be amended and changed in writing by mutual consent.

19.6.Neither party shall assign all or any part of its rights under this Contract to any third party or have any third party assume all or any part of its obligations under this Contract without the prior written consent of the other party.

19.7.Notices in connection with this Contract shall be effective upon delivery in writing to the other party by e-mail, registered mail, or personal delivery to the address below or to the designated e-mail address and recipient. In the event of undeliverability, delivery shall be deemed to occur at the time of first postal delivery (if sent by electronic mail, to the extent that it is simultaneously sent in writing). If the address, e-mail or addressee set forth in this Section changes, the party making the change shall immediately notify the other party in writing of the change and shall not use the change against the other party.

##### Party A:

4F., No.468, Ruiguang Rd., Neihu Dist., Taipei City 114063, Taiwan (R.O.C.)

Recipient: Vivian Lee Senior Vice President

Email:vivianlee@fareastone.com.tw

##### Party B:

8F., No.32, Jihu Rd., Neihu Dist., Taipei City 11492, Taiwan (R.O.C.)

Recipient: Tim Liu Vice President

Email:tim.ls.liu@aptg.com.tw

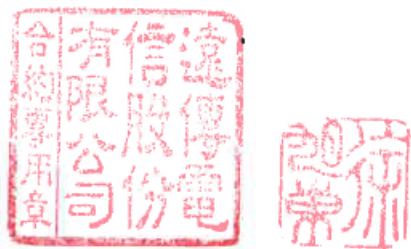
19.8. This Contract constitutes the entire agreement between the parties with respect to the matters set forth herein and supersedes any prior agreements, contracts or undertakings, whether oral or written, between the parties with respect to the Merger.

19.9. The original of this Contract is in duplicate, and each of the two parties shall execute the second copy as the evidence.

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Contracting parties:

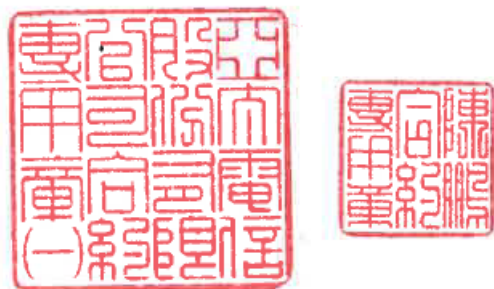
Party A



Far EasTone Telecommunications Co., Ltd.

Representative : Hsu-Tung, Hsu

Party B



Asia Pacific Telecom Co., Ltd.

Representative : Peng, Chen



Asia Pacific Telecom Co., Ltd.  
And Far EasTone Telecommunications Co., Ltd.  
Independent Expert Opinion on the Reasonableness of the Exchange Ratio of the Stock  
Swap

**I. Appointment Details**

We are appointed by Asia Pacific Telecom Co., Ltd. (stock code 3682, hereinafter referred to as "Asia Pacific") to merge Asia Pacific with Far EasTone Telecommunications Co., Ltd. (stock code 4904, hereinafter referred to as "Far EasTone") by way of absorption merger in purpose of consolidating resources and enhancing competitiveness. Asia Pacific is the dissolved company and Far EasTone is the surviving company. It is proposed that Far EasTone will acquire 100% of the outstanding ordinary shares of Asia Pacific through a share swap under the Business Merger and Acquisition Act. The opinion on the reasonableness of the exchange ratio for the share swap is issued as a reference for the determination of the exchange ratio for the share swap, and the results of the evaluation are described below:

**II. Basic information of the merged companies**

(I) Asia Pacific Telecom Co., Ltd. was established in May 2000 in Taiwan, R.O.C. Its main business includes fixed-line and mobile communications. Its shares were officially listed on Taipei Exchange in December 2011, and then transferred to the Taiwan Stock Exchange in August 2013. The audited financial statements of Asia Pacific for the last two years (2019 and 2020) and the latest 2021 unaudited financial statements of Asia Pacific are summarized below:

1. Consolidated Balance Sheet

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2019	2020	2021
Total Assets	45,750,957	39,676,647	45,658,596
Total Liabilities	9,995,064	9,936,675	16,275,481
Total equity attributable to owners of the parent company	35,567,501	29,739,972	29,383,115
Total Equity	35,755,893	29,739,972	29,383,115
Share capital at the end of the period	38,171,964	38,171,964	43,171,964
Net value per share - Attributable to owners of the parent company (NT\$)	9.32	7.79	6.81

## 2.Consolidated Statement of Comprehensive Income

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2019	2020	2021
Operating Revenue	14,246,066	13,587,443	12,646,665
Gross operating profit (loss)	570,794	(314,127)	2,782
Operating loss	(5,169,652)	(5,494,305)	(4,992,433)
Net loss for the period - attributable to owners of the parent company	(5,200,072)	(5,828,401)	(5,374,141)
Loss per share - attributable to owners of the parent company (NT\$)	(1.78)	(1.53)	(1.35)

(II) Far EasTone was established in Taiwan on April 11, 1997 and is mainly engaged in the business of mobile phones, Internet services, voice resale services and sales of cell phones and accessories. On December 10, 2001, its shares were officially listed on the Taipei Exchange and since August 24, 2005, it has been listed on the Taiwan Stock Exchange. The audited financial statements of Far EasTone for the last two years (2019 and 2020) and the latest 2021 unaudited financial statements of Far EasTone are summarized below:

### Consolidated Balance Sheet

#### 1.Consolidated Balance Sheet

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2019	2020	2021
Total Assets	134,162,936	173,429,320	175,543,581
Total Liabilities	63,556,516	105,182,111	109,442,801
Total equity attributable to owners of the parent company	69,763,955	67,313,694	65,135,716
Total Equity	70,606,420	68,247,209	66,100,780
Share capital at the end of the period	32,585,008	32,585,008	32,585,008
Net value per share - Attributable to owners of the parent company (NT\$)	21.41	20.66	19.99

## 2.Consolidated Statement of Comprehensive Income

Unit: In Thousands of New Taiwan Dollars.

Item \ Year	2019	2020	2021
Operating Revenue	83,865,872	79,500,965	85,320,008
Gross operating profit	26,756,524	25,933,863	25,438,004
Net operating profit	11,925,478	11,037,699	10,361,121
Net income for the period - attributable to owners of the parent company	8,734,984	8,354,128	9,123,795
Earning per share - attributable to owners of the parent company (NT\$)	2.68	2.56	2.80

### III. Evaluation Method

In general, the evaluation method of equity investment value is based on a suitable financial model selected according to the circumstances of each case. Currently, there are three methods that are widely used: The “**asset-based approach**”, the “**market-based approach**” and the “**income approach**”, of which the “**income approach**” is represented by the “**discounted cash flow approach**”, are briefly described as follows:

(I)**Asset-based approach:** For instance, the **net ratio per share method** is to measure the value of the company by the figures on the company's balance sheet; or the **cost method** is to use the net worth on the Company's balance sheet as the basis for valuation and re-evaluate the fair value of the Company's assets and liabilities, and the value of the Company is determined by subtracting both. The **asset-based approach** does not take into account the Company's future profitability or the economic cycle, and is more appropriate for companies whose primary focus is on asset value or for newly established companies or companies in traditional industries.

(II)**Market-based approach:**

1.The **market price method** is used to estimate the reasonable value of a listed company from its price in the centralized trading market; the **comparable company method** is used to derive a reference value from the market multiplier of a similar company and the financial condition of the evaluated company, and then adjust the discount or premium according to the characteristics of the evaluated company to derive the value of the company. This method uses information on public market-related companies with similar market and product portfolios, profitability and size, along with specific parameters such as past net worth, future revenue or a multiple of after-tax earnings, to evaluate the evaluated company. The calculation method currently used by **comparable companies** is: The “**price-to-earning ratio method**” and the “**price-book ratio method**”. The former is suitable for companies with stable risk levels, dividend policies and growth rates; the latter is more suitable for companies in industries with large fluctuations in profitability.

2.The **comparable transaction method** refers to the transaction prices of identical or similar assets, the value multipliers implied by those prices, and relevant transaction information to determine the value of the subject.

(III)**Discounted cash flow method:** The Company's net cash flows are discounted using a discount rate that takes into account the investment risk and the time value of money; that is, the Company's free cash flows in future periods are discounted to their present value, which is the Company's value. This method is applicable to enterprises with stable or growing profits in general.

### IV. Evaluation Method Selection

All of the above methods have their advantages and disadvantages. In practice, the “discounted cash flow method” is not easy to estimate the profit and loss in the coming years, and the risk of uncertainty is relatively high, and the future cash flow and discount rate are subjective estimates; In addition, since Asia Pacific's operating conditions have been unsatisfactory over the years and its earnings per share have been negative, Asia Pacific does not intend to use the “**market-based approach**” of the “price-to-earning ratio method” for the valuation; In addition, Asia Pacific's share price under the market mechanism in the past few years is quite different from that of the three major peers, so to avoid any bias, the “price-book ratio method” of the “**market-based approach**” is also not used for valuation.

In general, the share exchange ratio is determined by both parties to the strategic alliance using a mutually acceptable evaluation basis to determine the possible share exchange ratio, taking into

account the current operating conditions and future development conditions of each company, as well as other key factors.

Therefore, the following analysis adopts the "Market Price Method" and "Comparable Transaction method" of the "**market-based approach**" and the "Net Ratio Per Share Method" of the "**asset-based approach**", with reference to the other key factors mentioned above, as the basis for this comprehensive assessment of the reasonableness of the share exchange ratio.

## V. Evaluation Description

### (I)Market value method (liquidity without control)

Since both Asia Pacific and Far EasTone are listed companies and have objective public market prices for reference, this opinion uses the recent public market prices of the two companies and the average closing prices of the 10, 20 and 30 business days prior to and including February 22, 2022 as the base date for evaluation. The average closing prices and share exchange ratio for each sampling period are listed below

Unit: New Taiwan Dollars

Company	Average closing price for the previous 10 business days (Note)		Average closing price for the previous 20 business days (Note)		Average closing price for the previous 30 business days (Note)		Share exchange ratio range
	Share Price	Share Exchange Ratio	Share Price	Share Exchange Ratio	Share Price	Share Exchange Ratio	
Far EasTone	67.57	1.00000	66.26	1.00000	65.55	1.00000	1.00000
Asia Pacific Telecom	8.09	0.11973	8.07	0.12179	8.14	0.12418	0.11973~0.12418

Source: Taiwan Stock Exchange (2022/01/03~2022/2/22) Closing Price Information

Note: The average closing price is calculated as a simple arithmetic average.

### (II)Comparable Trading Method

For reference, in the recent merger and share swap transaction between Taiwan Star Telecom (stock code 3157) and Taiwan Mobile (stock code 3045), with Taiwan Star Telecom as the dissolved company and Taiwan Mobile as the surviving company (this transaction is the same case as this one), the share swap ratio between the two companies is as follows:

Item	Taiwan Mobile	Taiwan Star Telecom
Consolidated Share Exchange Ratio	1.00000	0.04508

Merger Share Exchange Ratio The share exchange ratio between Far EasTone and Asia Pacific is 1.00000:0.04508.

### (III)Net ratio per share method

The theoretical share exchange ratios were calculated based on the net worth per share

calculated based on the financial data including the equity attributable to the owners of the parent company and the number of shares of common stock most recently outstanding in the 2021 financial statements of Asia Pacific and Far EasTone as follows:

Unit: New Taiwan Dollars

Item	Far EasTone	Asia Pacific Telecom
Net value per share in 2021	19.99	6.81
Theoretical Share Exchange Ratio	1.00000	0.34067

## VI. Comprehensive Evaluation

The above **V. Evaluation Description** illustrates the reference range for the calculation of the share exchange ratio and the consideration of other key factors for each evaluation model as follows:

Based on the results of the above three evaluation models, since both Asia Pacific and Far EasTone are listed companies and have objective open market trading prices for reference, the market price method was used as the main basis to give higher weighting, the comparable transaction method was given appropriate weighting because it is a recent case of share exchange ratio transaction in the telecom industry, and the net ratio per share method was excluded because it has less reference value. Therefore, the final calculation of the reference range of the share exchange ratio is as follows:

Evaluation Model	Share exchange ratio range		Weighting	Calculated conversion ratio reference range	
	Far EasTone	Asia Pacific Telecom		Far EasTone	Asia Pacific Telecom
Market price method	1.00000	0.11973~0.12418	64%	1.00000	0.09286~0.09570
Comparable Trading Method	1.00000	0.04508	36%		
Net ratio per share method	1.00000	0.34067	-		

## VII. Evaluation Conclusion

In summary, based on the quantifiable figures and objective market information of both companies, we have carefully considered the **market price method** and the **comparable transaction method** as the basis for valuation, and the key factors for measuring the value of both companies, such as the current operating conditions and future development conditions of both companies, and concluded that it is reasonable to exchange 1 share of ordinary shares of Asia Pacific Telecom for **0.09286~0.09570** shares of newly issued ordinary shares of Far EasTone. The calculation of the share exchange ratio is based on a range of 0.09286 to 0.09570 shares of Far EasTone's common stock, which is a fair and reasonable reference for determining the share exchange ratio (the actual share exchange ratio is subject to the approval of the board of directors).

## VIII. Restrictions on Use and Disclaimer of this Opinion

- (I) This opinion is for your internal use only or for the filing of documents required by the relevant laws and regulations, and should not be provided to third parties or used for any other purpose without the consent of the firm.
- (II) The conclusion of this opinion is based on the relevant laws and regulations currently in effect in Taiwan; the firm shall not issue an updated opinion on changes, amendments or repeals of the relevant laws and regulations after the completion of this opinion, and shall not be responsible for any discrepancies from the original opinion due to such changes unless instructed to do so.
- (III) This opinion is based on the financial statements and other related information provided by the parties as of the valuation date, and we have not performed any independent verification or review of the above information and therefore we cannot express any opinion on the accuracy and feasibility of such information.

Accountant

February 22, 2022



In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 1110005318, dated March 29, 2022: Additional descriptions are as follows :

The weightings of the market price method and the comparable transaction method mentioned in the paragraph of the consolidated opinion issued by our auditors are based on the fact that both APT and Far EasTone are listed companies and have objective open market trading prices for reference. Therefore, the market price method is used as the primary basis to give a higher weighting. The comparable transaction method can give appropriate weighting as this is a recent transaction case of stock-for-stock ratio in the telecommunications industry. With reference to the mergers approved by the board of directors of listed companies from 2020 to 2021, the calculated stock-for-stock weight given by the market price method ranges from 50% to 80% (please refer to the table below). Based on the information and considerations mentioned above, we have determined that 64% and 36% of the calculated stock-for-stock weight should be reasonable based on our professional judgment.

The adjustment of the control premium should also be clarified. We have analyzed 100% of the pending merger and acquisition cases by referencing the transactions of public mergers and acquisitions that have been completed from 2019 to 2021. Under the merger and acquisition circumstances, we have analyzed the reasonable range of control premiums arising from mergers and acquisitions, which is approximately 9.17%-23.93% on average (please refer to the table below). Based on the preliminary analysis, we propose to set the control premium rate at an average of approximately 15%. However, after discussion with the management, considering the poor operating prospect of APT and the estimated net worth of APT to be less than 1/2 of the equity in 2023, in accordance with Article 49 Item1 of the Operating Rules of the Taiwan Stock Exchange Corporation, it will change the trading method of APT's shares. If the shares are traded as full-cash delivery stock, it will result in poor liquidity of the shares, which will cause the share price to fall and affect the debt credit and may also cause the banks to tighten the credit facility limit, resulting in insufficient operating capital. In addition, due to the fierce competition in the telecom market, APT has not reached a feasible economic scale. This situation has resulted in long-term losses and a stock price below par value, which cannot be improved in the short term, further leading to a low willingness of investors to invest and high capital costs for fundraising. After considering the above factors, we have not included the adjustment of the control premium in our opinion after considering the control premium and the expected adverse factors in the future.

Also, if the proposed control premium rate of 15% is used as the adjustment parameter, the initial calculation of the stock-for-stock weight by the market price method and the comparable transaction method is based on the reference range is 1 issued common share of APT exchange for 0.04508-0.12418 newly issued common shares of Far EasTone , and the control premium of 15% is adjusted accordingly, and the stock-for-stock ratio per share is adjusted to 0.05184-0.14281 shares without considering the calculation of the stock-for-stock weight. The combined conversion ratio of 0.0934406 shares approved by APT's board of directors falls within this adjusted conversion ratio range.

#### Stock-for-stock merger weight

Serial Number	Date	Acquiring company	Acquired company	Market price weight
1	2020/03/10	Zhen Ding Technology Ltd.	Boardtek Electronics Corp.	50%/80%
2	2021/06/30	Yageo Corporation	Chilisin Electronics Corp.	70%
3	2021/09/16	Fubon Financial Holding Co.	Jih Sun Financial Holding Co.	80%

Data source: Market Observation Post System

#### Control premium

unit: NTD

Serial Number	Application date/Board meeting date	Acquiring company	Acquired company	Acquisition/Conversion price (A)	Average stock price for the first 10 days (B)	Acquisition premium (A-B)/B
1	2021/06/30	Yageo Corporation	Chilisin Electronics Corp.	111.11	100.13	10.97%
2	2020/12/18	Fubon Financial Holding Co.	Jih Sun Financial Holding Co.	13.00	10.49	23.93%
3	2019/03/22	Prime Express International Ltd.	JINTEX Corporation Ltd.	27.5	25.19	9.17%

Data source: Market Observation Post System

## Independent Expert's Statement

The accountant published the evaluation opinions based on the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies". The accountant also referenced the related Republic of China Appraisal Standards or the self-regulation guidelines of professional associations. We hereby issue an opinion on the reasonableness of the share exchange ratio of the share exchange between APT and Far EasTone Telecommunications Co.

- I. The opinions issued and the information sources, parameters and information used in the execution of the operating procedures are complete, correct and reasonable, and are used as the basis for issuing this opinion.
- II. Before undertaking the case, I have confirmed compliance with the qualifications listed in Paragraph 1, Article 5 of the Standards for Public Offering Companies to Acquire or Dispose of Assets, and my professional capabilities and practical experience have been assessed according to Item 1, Paragraph 2 of the same article.
- III. When executing the case, I have appropriately planned and executed a suitable operating procedure and have formed a conclusion to issue the opinions. The operating procedures, collected information and conclusion have been included in the working draft of the case in detail.
- IV. There are no relationships between the accountant, trade parties of the case, and the professional appraiser that published the appraisal opinions as listed in Items 2 and 3, Paragraph 1, Article 5 of the Standards for Public Offering Companies to Acquire or Dispose of Assets, and the non-existence of the following matters is hereby declared:
  - (I) I or my spouse is currently employed by the trade party of the case and is paid a fixed salary or acting as a director or supervisor.
  - (II) I or my spouse has acted as a director, supervisor, manager, or held a position of importance related to the case of the trade party, and was dismissed or resigned within 2 years.
  - (III) The unit where I or my spouse is currently employed is related to the trade party of the case.
  - (IV) Whether the accountant is related as a spouse or family member within two degrees of kinship to the directors, supervisors, managers, or persons with positions that have a significant influence on the audit case of the parties of the trade.
  - (V) I or my spouse has major investment or financial interests in the trade party of the case.

**Independent Expert:**



**Date of issuance of the Statement: February 22, 2022**



## **Biography of Independent Expert**

Evaluator: Tzu-Chien, Chen

Date of Birth: February 21, 1964

ID No.: Q121321615

Practicing Certificate No. Taipei Certified Public Accounts. No. 1308

Education and Experience: Department of Accounting, Private Tunghai University

Associate, Audit Services, PricewaterhouseCoopers Taiwan

Senior Manager, Audit Services, PricewaterhouseCoopers China

Current position: CPA, Sun Rising Certified Public Accountants

Accomplished cases:

- 1.Hotai Motor Co., Ltd. (Price Opinion on Marketable Securities)
- 2.Foxlink Group (Price Opinion on Marketable Securities)
- 3.Universal Cement Corporation (Price Opinion Marketable Securities)
- 4.Taroko Group (Price Opinion on Treasury Stock)
- 5.Uni-President Group (Price Opinion on Marketable Securities)
- 6.President Chain Store Corporation (Price Opinion on Marketable Securities)
- 7.Yuanta Group (Price Opinion on Related Party Service)
- 8.Well Shin Technology Co., Ltd. (TP Transfer Pricing Report)
- 9.Mos Burger (Internal Control and Internal Audit System Design)
- 10.UPC Group (Price Opinion on Private Placement Marketable Securities)
- 11.Uniflex Technology Inc. (Price Opinion on Marketable Securities)
- 12.Pan-International Industrial Corporation (Price Opinion on Subscription of Private Placement Marketable Securities)
- 13.Amita Technologies Inc. (Price Opinion on Publicly-Acquired Shares)
- 14.Genomics Group (Price Opinion on Marketable Securities)
- 15.Brilliant (Price Opinion of Asset and Business Transfer)
- 16.Chip Hope Co., Ltd. (Price Opinion on Marketable Securities)
- 17.Taiwan Taxi (Price Opinion on Real Estate)
- 18.Digital United (Price Opinion on Real Estate)
- 19.Far Eastern New Century (Price Opinion on Marketable Securities)
- 20.Oriental Union Chemical Corporation (Price Opinion on Private Placement Marketable Securities)
- 21.Jay-Tai International Co., Ltd. (Price Opinion on Marketable Securities)
- 22.Ecove (Price Opinion on Marketable Securities)
- 23.Asia Pacific Telecom (Price Opinion on Specific Asset Groups)
- 24.Danen Technology Corporation (Price Opinion on Real Estate)
- 25.Winking Entertainment Corporation (Price Opinion on Right-of-use Asset)

## List of Candidates for Director and Independent Director

Candidates	1	2	3
Category	Director	Independent Director	Independent Director
Name	Vivian, Lee	Jaclyn Tsai	Zheng-Yi, Shon
Shareholding	500,000,000	0	0
Education	<ul style="list-style-type: none"> <li>•LLM, Intellectual Property Law, John Marshall Law School ,Chicago ,Illinois</li> </ul>	<ul style="list-style-type: none"> <li>•Major in Law, National Taiwan University</li> </ul>	<ul style="list-style-type: none"> <li>•Ph.D, Department of Transportation and Communication Management, National Cheng Kung University</li> </ul>
Experience	<ul style="list-style-type: none"> <li>•Senior Vice President, Legal &amp; Procurement of Far EasTone Telecommunications Co., Ltd</li> <li>•VP, Head of Ericsson Commercial Management, Ericsson Sweden</li> </ul>	<ul style="list-style-type: none"> <li>•Minister without Portfolio, Executive Yuan (Cabinet)</li> <li>•General Counsel of IBM Greater China Group (China, Hong Kong, Taiwan)</li> <li>•Judge of Taipei, Shih-Lin, Taoyuan and Chang Hwa District Courts</li> </ul>	<ul style="list-style-type: none"> <li>•Dean, College of Management, Tainan University of Technology</li> <li>•Dean, R&amp;D Office, Tainan University of Technology</li> <li>•Chair, ICTPA</li> <li>•Board Member, WCTRS</li> <li>•Committee Member, ATRS</li> <li>•Deputy Chief Secretary, Chita</li> <li>•Committee Member, TRB AP055</li> <li>•Committee Member, TRB AV030</li> <li>•Independent Director, Axiomtech Co. Ltd.</li> </ul>
Present position	<ul style="list-style-type: none"> <li>•Senior Vice President, Far EasTone Telecommunications Co., Ltd.</li> <li>•Director, Yuanshi Digital Technology Co., Ltd.</li> <li>•Director, KGEx.com Co., Ltd.</li> <li>•Director, Yuan Cing Co., Ltd</li> <li>•Director, Far EasTone Property Insurance Agency Co., Ltd.</li> <li>•Director, Nextlink Technology Co., Ltd.</li> <li>•Director, LINE Bank Taiwan Limited</li> </ul>	<ul style="list-style-type: none"> <li>•Co-Founder, Lee, Tsai &amp; Partners Attorneys-at-Law</li> <li>•Director, Chenbro Micom Co., Ltd.</li> <li>•Director, Jess-Link Products Co., Ltd.</li> <li>•Director, K.T.Li Foundation for Development of Science and Technology</li> <li>•Municipal Consultant, Taipei City Government</li> <li>•Member, SmartCity Committee, Taipei City Government</li> <li>•Member, International Affairs Committee, Taipei City Government</li> <li>•Member, Data</li> </ul>	<ul style="list-style-type: none"> <li>•Professor, Tainan University of Technology</li> <li>•Director, Taoyuan International Airport</li> <li>•Chairman, InfoComm Co. Ltd</li> <li>•Chairman, Tomorrowland Technology Co. Ltd</li> <li>•Chairman, Smart Fintech Co. LTD</li> </ul>

		Management Committee,Taipei City Government ●Chairperson,Taiwan FinTech Association ●Chairperson, Taiwan Women on Boards Association ●Supervisor, Montw Jode Science&Technology Association of Taiwan ●Convener of the Regulations Adjustment Group of the Taiwan Blockchain Alliance	
Representative of company	Far EasTone Telecommunications Co., Ltd	None	None

**Attachment V**

**Contents of the Company's Directors (Including Independent Directors)  
Proposed to be Released from Non-Compete Clause**

Director	Company	Position
Baoxin International Investment Co., Ltd Representative : Peng Chen	Foxconn Global Network Corporation	Director
	Hong Chi Consultancy Ltd	Chairman,
	Wu Yao Co., Ltd	Chairman,
	BroNuc Automation Co., Ltd.	Chairman,
	Transcene Corporation	Chairman,
	Leadership Inc.	Director
Baoxin International Investment Co., Ltd Representative : Yuen Han, Chao	Hon Hai Precision Inc. Co., Ltd.	Senior Director, Chairman's Office
Hua Eng Wire & Cable Co., Ltd. Representative : Min-shiang, Lin	Hua Eng Wire & Cable Co., Ltd.	Accounting manager,
	BIONIME CORPORATION	Director
	CO-TECH DEVELOPMENT CORP.	Director
	China Ecotek Corp.	Director
	WAFER WORKS CORPORATION	Director
Director/Independent Director	Company	Position
Far EasTone Telecommunications Co., Ltd Representative : Vivian, Lee	Far EasTone Telecommunications Co., Ltd	Senior Vice President
	Director, Yuanshi Digital Technology Co., Ltd.	Director
	KGEx.com Co., Ltd.	Director
	Yuan Cing Co., Ltd	Director
	Far EasTone Property Insurance Agency Co., Ltd.	Director
	Nextlink Technology Co., Ltd.	Director
	LINE Bank Taiwan Limited	Director
Jaclyn Tsai	Chenbro Micom Co., Ltd.	Director
	Jess-Link Products Co., Ltd.	Director
	K.T.Li Foundation for Development of Science and Technology	Director
Zheng-Yi, Shon	InfoComm Co. Ltd.	Chairman
	Tomorrowland Technology Co. Ltd.	Chairman
	Smart Fintech Co. Ltd.	Chairman
	Taoyuan International Airport Co. Ltd.	Director

# Appendices

- I. Articles of Association / 44~49
- II. Rules of Procedure for Shareholders' Meeting / 50-55
- III. Procedures for Election of Directors / 56~57
- IV. Shareholding Status from All Director / 58

## Articles of Association of Asia Pacific Telecom Co., Ltd.

Established at the Sponsor Meeting on May 3, 2000.

First amendment approved by the Shareholders' Meeting on May 14, 2001.

Second amendment approved by the Shareholders' Meeting on June 24, 2002.

Third amendment approved by the Shareholders' Meeting on June 25, 2004.

Fourth amendment approved by the Shareholders' Meeting on October 26, 2007.

Fifth amendment approved by the Shareholders' Meeting on June 23, 2010.

Sixth amendment approved by the Shareholders' Meeting on June 24, 2011.

Seventh amendment approved by the Shareholders' Meeting on June 20, 2012.

Eighth amendment approved by the Shareholders' Meeting on June 20, 2014.

Ninth amendment approved by the Shareholders' Meeting on June 25, 2015.

Tenth amendment approved by the Shareholders' Meeting on June 22, 2016.

Eleventh amendment approved by the Shareholders' Meeting on June 20, 2018.

Twelfth amendment approved by the Shareholders' Meeting on June 19, 2019

Thirteenth amendment approved by the Shareholders' Meeting on June 17, 2020

Fourteenth amendment approved by the Shareholders' Meeting on August 25, 2021

### Chapter I      General Provisions

Article 1:      The Company is organized in accordance with the Company Act, and the name of the Company is Asia Pacific Telecom Co., Ltd.

Article 2:      The scope of the Company's business activities includes:

1.      G901011 Type I Telecommunications Enterprise.
2.      G902011 Type II Telecommunications Enterprise.
3.      CC01060 Wired Communication Equipment and Apparatus Manufacturing.
4.      CC01070 Telecommunication Equipment and Apparatus Manufacturing.
5.      CC01080 Electronic Parts and Components Manufacturing.
6.      CC01110 Computers and Computing Peripheral Equipments Manufacturing.
7.      CC01120 Data Storage Media Manufacturing and Duplicating.
8.      CD01020 Rail Vehicle and Parts Manufacturing.
9.      E601010 Electric Appliance Construction.
10.    E603050 Automatic Control Equipment Engineering.
11.    E603080 Traffic Signs Installation Engineering.
12.    E603090 Illumination Equipments Construction.
13.    E701010 Telecommunications Construction.
14.    E701020 Channel KU and C of Satellite TV Equipments and Materials Construction.
15.    E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction.
16.    EZ06010 Traffic Marking Engineering
17.    F108031 Wholesale of Drugs, Medical Goods.
18.    F113010 Wholesale of Machinery.
19.    F113020 Wholesale of Household Appliance.
20.    F113030 Wholesale of Precision Instruments.
21.    F113070 Wholesale of Telecom Instruments.
22.    F113110 Wholesale of Batteries.
23.    F114080 Wholesale of Track Vehicle and Component Parts Thereof.
24.    F118010 Wholesale of Computer Software.
25.    F119010 Wholesale of Electronic Materials.
26.    F208031 Retail sale of Medical Equipments.
27.    F213010 Retail Sale of Household Appliance.
28.    F213040 Retail Sale of Precision Instruments.
29.    F213060 Retail Sale of Telecom Instruments.
30.    F214080 Retail Sale of Track Vehicle and Component Parts Thereof.

31. F214990 Retail Sale of Other Traffic Means of Transport and Component Parts Thereof.
32. F218010 Retail Sale of Computer Software.
33. F219010 Retail Sale of Electronic Materials.
34. F401010 International Trade.
35. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
36. F401181 Measuring Instruments Import
37. G903010 Telecommunications.
38. H701040 Specific Area Development
39. I103060 Management Consulting Services.
40. I301040 The third-party payment.
41. IG03010 Energy Technical Services.
42. I301010 Software Design Services.
43. I301020 Data Processing Services.
44. I301030 Digital Information Supply Services.
45. IE01010 Telecommunications Number Agencies.
46. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified.
47. J101050 Environmental Testing Services
48. JE01010 Rental and Leasing Business.
49. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding 40% of its paid-in capital.

Article 4: The Company may act as a guarantor for external parties for business needs; provided endorsements and guarantees are handled in accordance with the Company's Regulations Governing Making of Endorsements/Guarantees.

Article 5: The Company shall have its head-office in Taipei City, Taiwan and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.

## **Chapter II Shareholding**

Article 6: The total capital amount of the Company shall be sixty-five billion and six hundred and eighty million New Taiwan Dollars (NT\$65,680,000,000), which is divided into six billion and five hundred and sixty-eight million (6,568,000,000) shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be issued separately.

An amount of 500 million shares with par value of NT\$10 out of the aforesaid capital is reserved to serve as subscription warrants for employees as equity security, stock option as preferred stock or corporate bond with warrant and may be issued separately according to the resolution of the Board of Directors.

The Company may, upon the approval at a shareholders' meeting which is attended by shareholders holding at least 50% of the issued capital stock, by more than two-thirds of the shareholders attending the meeting, transfer the treasury shares to its employees at a price lower than the average buyback price.

Article 7: The share certificate of the Company shall all be name-bearing share certificates and shall be affixed with the seals or by signature of at least three or more Directors representing the Company, and issued after being duly authenticated pursuant to the law.

The Company may issue shares without printing share certificate, but shall have the shares registered with a centralized securities depository enterprise.

After public issuance of its shares, the Company may apply for an approval of ceasing its status as a public company by approval of the Board of Directors and resolution adopted at a Shareholders' Meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a Shareholders' Meeting of a company whose shares have been issued in public is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-

third of the voting rights exercised by the shareholders present at the Shareholders' Meeting who represent a majority of the outstanding shares of the Company.

Article 8: All transfer of Company stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar share transaction conducted by the shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Article 9: The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

Article 10: Registration of share transfers shall be suspended for a 60-day period immediately prior to a general meeting of the shareholders; for a 30-day period immediately prior to an extraordinary meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

### **Chapter III Shareholders' Meeting**

Article 11: Shareholders' Meeting shall be of two types, namely General and Extraordinary Shareholders' Meeting. The former shall be convened once a year within six months after the close of each fiscal year and the latter shall be convened whenever necessary. Upon consent from the counterparty, the convening of a Shareholders' Meeting may be held in electronic means.

Article 12: A shareholder of the Company shall have one vote for each share held by him/her/it, unless under the following situations, where the shareholder has no voting rights:

- I. Shares held by the Company.
- II. Shares held by a Company subsidiary in which the Company either holds decision-making rights or owns more than 50% of its paid-in capital.
- III. Shares held by another company in which either the Company or its subsidiary either directly or indirectly holds decision-making rights or owns more than 50% of its paid-in capital.

Article 13: In a Shareholders' Meeting convened by the Board of Directors, the Chairman of the Board shall preside as the chairman of the Shareholders' Meeting. In his/her absence, the Chairman of the Board shall designate one of the Directors as the chairman. In case no such designation has been made, the Directors present at the meeting shall elect the chairman from amongst themselves.

Article 14: Unless otherwise provided by the Company Act and other applicable laws, all resolutions of a Shareholders' Meeting of the Company shall be passed, at a Shareholders' Meeting holding at least 50% of the issued capital stock, by more than 50% of the shareholders attending the meeting.

### **Chapter IV Board of Directors**

Article 15: The Company shall have eleven directors, who shall be appointed by the board of shareholders by competent candidates for a term of three years and may be eligible for re-election. The election of directors shall adopt the candidate nomination system as specified in Article 192-1 of the Company Act.

The Company shall obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

The Board of Directors shall establish an Audit Committee, Remuneration Committee, and may set up relevant functional committees to provide reference for the decision-making of the Board of Directors.

Article 15-1: According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than three Independent Directors, with no less than one-fifth of the seats of Directors.

Directors shall be elected by cumulative voting system by shareholders from a list of candidates for Independent Directors.

The election of Independent Directors and non-Independent Directors shall be held together; provided, however, the number of Independent Directors and non-Independent



Directors elected shall be calculated separately.

Professional qualification, shareholding status, and limits on concurrent positions held at other companies, definition of independence, nomination and election methods, exercise of authority and other relevant matters from Independent Directors shall be subject to the applicable laws.

Independent Directors of the Company shall not hold more than three concurrent positions as Independent Directors of other TWSE/TPEX listed companies, shall not hold concurrent position at the Company, and are prohibited from participation in business activities of the Company.

In case of termination or resignation of an Independent Director, leading the number of seats stipulated in Paragraph 1 or these Articles, a by-election shall be held at the most recent Shareholders' Meeting. When all seats of Independent Directors become vacant, the Board shall convene an extraordinary shareholders' meeting within 60 days to re-elect the Independent Directors to fill in the vacancies.

Article 16: If the Chairman of the Board is unable to perform his/her duties for any reasons, he/she shall designate one of the Directors to act on his/her behalf. In case no such designation has been made, the Directors present at the meeting shall elect the chairman from amongst themselves.

Board meetings shall be convened by the Chairman of the Board, who shall also be the chairman of the meetings. A notice indicated the purpose(s) for convening the meeting shall be given to each director no later than seven days prior to the scheduled meeting date. However, in the case of urgency, the meeting may be convened at any time. The notice may be given in writing, or via fax or e-mail.

Article 17: The Company may pay the Directors remunerations for their performance their duties. The Board of Directors is authorized to determine such remunerations based on the extent of involvements of the Company's operation and the value of the contribution of the Directors and the normal rate adopted by other companies in the same industry.

Independent Directors are paid with fixed monthly compensations and the Board of Directors has been delegated with the authority to propose compensations in accordance with industry standards. Independent Directors do not partake in the Company's surplus distribution.

Article 18: The following matters shall be submitted to the Board of Directors for discussion:

- I. The Company's Business Plan.
- II. Annual financial reports which are signed or sealed by the chairman, manager, and accounting manager.
- III. Establishment or amendment of internal control system and evaluation of its effectiveness.
- IV. Establishment or amendment of "Regulations Governing the Acquisition and Disposal of Assets," "Guidelines for Derivatives Trading," and "Regulations Governing Material Financial Business Behaviors of Making of Endorsements/Guarantees."
- V. Fundraising, issuance or private offering of securities with equity rights.
- VI. Performance evaluation and compensation standards of managerial officers.
- VII. Compensation structure and system of directors.
- VIII. Appointment or dismissal of the General Manager, Deputy General Managers, Finance, Accounting, or Audit Managers.
- IX. Matters related to the directors' own interests.
- X. Loaning of capital or making of endorsements/guarantees.
- XI. Appointment, dismissal, and compensation of CPAs.
- XII. Set up, terminal, or alternations of branch organizations.
- XIII. Approval of budget and decisions.
- XIV. Proposal of surplus allocations.
- XV. Approval of reinvestments.
- XVI. Approval of acquisition or transfer of specialized technology and patents, and

technical partnership contracts.

- XVII. Approval of amendment to the Company's Articles of Association and changes to paid-in capital.
- XVIII. Approval of the Company's dissolution or merger.
- XIX. Approval of external loans.
- XX. Approval of setting asset as pledge.
- XXI. Approval of the annual Audit Plan.
- XXII. Approval of various Company procedures and regulations.
- XXIII. Carry out resolutions from Shareholders' Meetings.
- XXIV. Formulation and amendment of the organizational rules of the board of directors and functional committees.
- XXV. Major assets or derivative trading.
- XXVI. Donation to related parties or major donations to non-related parties. However, charity donations as relief for major natural disasters may be subsequently submitted to and ratified by the next Board meeting.
- XXVII. Other matters requiring resolution from the Shareholders' Meeting pursuant to Article 14-3 of the Securities and Exchange Act or other applicable laws and regulations, or other material matters that shall be submitted to the Board or required by competent authority.

Article 19: The Board of Directors shall convene at least once quarterly. However, in the case of urgency or as requested by more than 50% of the directors, the meeting may be convened at any time. All Board meetings shall be presided by the Chairman.

Article 20: Unless otherwise provided for by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a majority of the directors present in a meeting attended by the majority of the total directors.

Article 21: If a Director is unavailable to attend a meeting in person, the director may issue a proxy specifying the scope of the authorized powers to authorize another Director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

If an Independent Director is unable to attend a meeting in person for matters requiring a resolution from the Board meeting pursuant to pursuant to Article 14-3 of the Securities and Exchange Act, the Independent Director may issue a proxy authorizing another Independent Director to attend to meeting on the Independent Director's behalf. However, non-Independent Directors may not represent Independent Directors at a Board meeting.

## **Chapter V Audit Committee**

Article 22: The Company has established an Audit Committee pursuant to applicable laws, and the Independent Directors shall together constitute the Audit Committee.

The role of supervisors and their powers pursuant to the Company Act, Securities and Exchange Act and other applicable laws shall be exercised by the Audit Committee in their place.

The number, tenure of office, and rules of functional authority of the Audit Committee and resources the Company shall provide in exercise of their powers shall be established in the Audit Committee Charter.

## **Chapter VI Managers**

Article 23: There shall be one General Manager and several and Deputy General Managers of the Company. The General Manager shall be nominated by the Chairman; and his/her appointment or removal shall be approved by majority of vote in a Board meeting attended by more than 50% of the Directors.

Article 24: The General Manager shall comprehensively oversee the Company's day-to-day operations as delegated by the Chairman. In case the General Manager is unable to perform his/her duties, the Chairman shall designate a Deputy General Manager to act on his/her behalf.

## **Chapter VII Accounting**

Article 25: The fiscal year of the Company shall begin on January 1 and end on December 31 of each year.

Article 26: The Board shall prepare the following reports after the end of each fiscal year, and present to the Audit Committee for review 30 days before the General Shareholders' Meeting for their ratifications in accordance with the legal procedure:

I. Business Report.

II. Financial Statements.

III. Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 27: If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 1% of the profits as director compensation. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses.

Employee's compensations in the previous item may be distributed in shares or cash, and the counterparty to whom shares or cash are distributed as employee's compensations may include the employees of its subordinate companies that meet certain criteria.

The term "profit for the current year" mentioned in Paragraph 1 refers to earnings of the pretax benefit of the current year deducts employees' compensations and Directors' remuneration.

Directors' remuneration shall be distributed in cash and employees' compensation may be distributed in stocks or cash. A resolution by a majority voting of the directors present at a meeting of the Board of Directors attended by two-thirds or more of the directors of the Company shall be obtained, and a report shall be submitted to the Shareholders' Meeting.

Article 28: In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, and 10% will be set aside for legal reserve pursuant to laws and regulations. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a Shareholders' Meeting.

The Company adopts a dividend policy whereby cash dividend shall be no less than 50% of the total dividend distribution for the year. The ratio of dividend distribution and cash dividend will be approved by resolution at the Shareholders' Meeting based on the Company's working capital needs as well as capital expenditure plans.

## **Chapter VIII Supplementary Provisions**

Article 29: The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 30: In regard to all matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 31: The Articles of Association was established on May 3, 2000. The first amendment of the Articles was made on May 14, 2001; the second amendment was made on June 24, 2002; the third amendment was made on June 25, 2004; the fourth amendment was made on October 26, 2007; the fifth amendment was made on June 23, 2010; the sixth amendment was made on June 24, 2011; the seventh amendment was made on June 20, 2012; the eighth amendment was made on June 20, 2014; the ninth amendment was made on June 25, 2015; the tenth amendment was made on June 22, 2016; the eleventh amendment was made on June 20, 2018. ; the twelfth amendment was made on June 19, 2019 ; the thirteenth amendment was made on June 17, 2020. The 14th amendment is to be made on August 25, 2021, which shall come into force upon the adoption of a resolution of the general shareholders' meeting.

## **Asia Pacific Telecom Co., Ltd.**

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

Approved and enacted on May 3, 2000.

Amendment approved by the Shareholders' Meeting on June 24, 2011.

Amendment approved by the Shareholders' Meeting on June 20, 2012.

Amendment approved by the Shareholders' Meeting on June 20, 2014.

Amendment approved by the Shareholders' Meeting on June 25, 2015.

Amendment approved by the Shareholders' Meeting on June 17, 2020

Amendment approved by the Shareholders' Meeting on August 25, 2021

Article 1: The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Association, shall be as provided in these Rules.

Article 2: Unless otherwise provided by the law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS 21 days before the date of the annual shareholders' meeting or before 15 days before the date of the extraordinary shareholders meeting. In addition, the Company shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The aforementioned materials shall also be displayed at The Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in electronic form.

Matters pertaining to election or dismissal of directors, change of the Charter, reduction of capital, application for cessation of public offering, lifting of the non-compete clause for the Company' directors, capital increase from earnings, capitalization of capital surplus, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1 of Article 185, Articles 26-1 and Article 43-6 of the Securities and Exchange Act, as well as Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reasons for convening the meeting and cannot be proposed through an extempore motion; its main content can be placed on the website designated by the competent securities authority or the Company; such a website shall be stated in the notice.

The reasons for convening the shareholders' meeting have specified the general re-election of directors and the date of their appointment. After the completion of the re-election in the shareholders' meeting, the same meeting shall not change the date of appointment by extraordinary motion or other means.

Shareholders holding 1 percent or more of the total number of issued shares may submit the Company a proposal for discussion at the regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. If a proposal submitted by a shareholder falls into the circumstances as specified in Paragraph 4, Article 172-1 of the Company Act, the Board of

Directors shall not include such proposal in the agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Only one matter shall be allowed in each proposal pursuant to Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal would not be included in the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

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

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is delivered to revoke the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy revocation shall be submitted to the Company 2 business days before the meeting date. If the revocation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 5: The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person attends a shareholders' meeting as proxy, it may designate only one person to represent it in the meeting.

Article 6: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 7: The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures and retain the recorded materials for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and schedule sufficient time for voting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject written on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

Article 11: Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. When a director owns 50% more of the number of shares in terms of pledge of stock rights than he/she did at the time of appointment, the number of excess shares shall not be used toward voting rights and will not be included in the voting rights of shares in attendance.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting

rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13: The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of those not elected as directors and the number of voting rights thereof.

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

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation

Article 15: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under the regulations of Taiwan Stock Exchange Corporation, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."



At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the microphones and loudspeakers set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations.

If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18: These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

## **Procedures for Election of Directors for Asia Pacific Telecom Co., Ltd.**

Approved and enacted on May 3, 2000.

The amendment was resolved in the Shareholders' Meeting on June 26, 2003

The amendment was resolved in the Shareholders' Meeting on June 24, 2011

The amendment was resolved in the Shareholders' Meeting on June 25, 2015

The amendment was resolved in the Shareholders' Meeting on August 25, 2021

- Article 1: Except as otherwise provided by law and regulation or by the Company's Articles of Association, elections of directors shall be conducted in accordance with these Procedures.
- Article 2: The directors of the Company shall be appointed by the board of shareholders by competent candidates in accordance with the Company Act.  
The qualification and election of independent directors of the Company shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be handled in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies of Taiwan."  
More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 3: The number of directors and independent directors of the Company shall be elected together according to the number of directors specified in the Articles of Association, and the voting right shall be counted separately. The registered cumulative voting method shall be used for the election. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those whose votes represent a larger number of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, therefore, exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.  
Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.  
If the dismissal of a director results in a board with less than five directors, the Company shall hold a supplemental election at the next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call an extraordinary shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.  
Where the number of independent directors falls short of the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the next shareholders' meeting to fill the vacancy. Where the independent directors are dismissed en masse, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election. to fill the vacancies.  
In the election of directors of the Company, shareholders may choose to exercise their right to vote either by electronic or on-site voting.  
The number of voting rights referred to in the preceding paragraph shall be calculated according to the number of voting rights cast at the shareholders' meeting plus the number of voting rights cast by electronic voting.
- Article 4: Before the election begins, the chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences
- Article 5: The ballots for on-site voting shall be prepared by the convenor, and the number of voting rights associated with each ballot shall be specified on the ballots, which shall then be

distributed to the attending shareholders based on their attendance card numbers.

Shareholders who exercise their right to vote by means of electronic voting shall exercise their right to vote on the electronic voting platform designated by the Company. The commencement of the voting period shall begin when a shareholder receives the meeting notice, to two days before the meeting date of the Shareholders' Meeting.

Article 6: The voters shall fill in in the "candidate" column on the ballot such candidate's name and account name. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 7: A ballot is invalid under any of the following circumstances:

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

Article 8: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of those not elected as directors and the number of voting rights thereof, shall be announced by the chairman on the site.

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

Article 9: The elected director shall deliver an original copy of his/her consent letter within twelve days of being elected.

Article 10: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

## Appendix IV

### Shareholding Status from All Directors of Asia Pacific Telecom Co., Ltd.

I.Types and total number of shares issued: 4,317,196,399 shares of ordinary shares.

II.Minimum shares required to be held by all Directors: 129,515,892 shares (3.0%)

III.Shareholding from all Directors has reached the legally stipulated ownership of shares.

Book closure date: March 17, 2022

Title	Name of Director or corporate shareholder	Number of shares held as of book closure date
Chairman	Baoxin International Investment Co., Ltd. Representative: Peng Chen	708,730
Director	Taiwan Railways Administration, MOTC Representative: Dennis L.S.Ju	261,829,777
Director	Taiwan Railways Administration, MOTC Representative: Tung-Chun Tsao	261,829,777
Director	Hua Eng Wire & Cable Co., Ltd. Representative: Hsiu-Mei Liu	89,087,877
Director	Yu Sheng Investment Co., Ltd. Representative: Chung-Cheng Tseng	8,215,177
Director	Baoxin International Investment Co., Ltd. Representative: Wen-Lin ,Kung	708,730
Director	Baoxin International Investment Co., Ltd. Representative: Yuen Han, Chao (Note 3)	708,730
Director	Baoxin International Investment Co., Ltd. Representative: Vivian, Lee (Note 3) (Note 4)	708,730
Independent Director	Li-Chun, Chen	-
Independent Director	Shi-Nine Yang (Note 5)	-
Independent Director	Vacancy to be filled (Note 6)	-
Total number of shares held by all Directors		359,841,561

Note 1: On August 25, 2021, Mr. Peng Chen was re-designated as the representative of Baoxin International Investment Co., Ltd., and Mr. Fang-Ming, Lu left his position on the same day.

Note 2: On January 10, 2022, the Company was notified by institutional director, Hua Eng Wire & Cable Co., Ltd., of the passing away of its institutional director representative, Director Mr. Ming-Shiang, Lin; and the institutional director representative, Ms. Hsiu-Mei, Liu was reassigned with effect from February 1, 2022.

Note 3: On October 12, 2021, Mr.Yuen-Han Chao, and Ms. Vivian Lee were reassigned as representatives of Baoxin International Investment Co., Ltd., and Mr.,Nan-Ren, Huang and Mr. Che-Hung,Yu the former directors, left their positions on the same day.

Note 4: On February 23, 2022, the Company received a resignation letter from the institutional director of Baoxin International Investment Co., Ltd. to resign as a director with effect from April 15, 2022 (Corporate Representative: Vivian, Lee) and the vacancy shall be filled by by-election at the first extraordinary shareholders' meeting of the Company in 2022.

Note 5: On 23 February, 2022, the Company received a letter of resignation from independent director Mr.,Shi-Nine Yang with effect from April 15, 2022, and the vacancy shall be filled by by-election at the first extraordinary shareholders' meeting of the Company in 2022.

Note 6: Independent director Yi-Wen, Chen resigned on 30 November 2021 due to personal health reasons and the vacancy shall be filled by by-election at the first extraordinary shareholders' meeting of the Company in 2022.