

**Asia Pacific Telecom Co., Ltd.**  
**2021 General Shareholders' Meeting**

**Meeting Handbook**

Meeting Date: June 23, 2021

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

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**Asia Pacific Telecom Co., Ltd.**  
**Meeting Procedure for the 2021 General**  
**Shareholders' Meeting**

- I. Calling the Meeting to Order
- II. Chairperson's Remarks
- III. Management Presentations
- IV. Ratifications
- V. Discussions
- VI. Elections
- VII. Others
- VIII. Questions and Motions
- IX. Adjournment

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

## **Agenda of 2021 General Shareholders' Meeting**

Meeting Time: 9:00 a.m., Wednesday, June 23, 2021

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

- I. Calling the Meeting to Order
- II. Chairperson's Remarks
- III. Management Presentations:
  - (I) 2020 Business Report
  - (II) 2020 Audit Committee's Review Report
  - (III) The Implementation of Strengthening Business Operation Plan on 2020
  - (IV) The Implementation of the Company's 2019 Private Issuance of Ordinary Shares for Capital Increase
  - (V) Amendments to the Company's "Codes of Ethical Conduct"
- IV. Ratifications:
  - (I) The Company's 2020 Business Report and Financial Statements
  - (II) The Company's 2020 Deficit Compensation Statement
- V. Discussions:
  - (I) The proposal to amend to the Company's "Articles of Association"
  - (II) The proposal to amend the Company's "Rules of Procedure for Shareholders' Meeting"
  - (III) The proposal to amend the Company's "Procedures for Election of Directors"
- VI. Elections:

The election of eleven directors (including three independent directors) of the Company's 9th Board of Directors
- VII. Others:

The proposal to release the non-competition restriction on the Company's new directors of the 9th Board of Directors
- VIII. Questions and Motions
- IX. Adjournment

# Management Presentation

## I. 2020 Business Report

(Please refer to Pages 17~22 in this Handbook)

## II. 2020 Audit Committee's Review Report

(Please refer to Page 23 in this Handbook)

## III. The Implementation of Strengthening Business Operation Plan on 2020

Explanatory Notes:

- (I). In accordance with the Financial Supervisory Commission Order No. Financial-Supervisory-Securities-Corporate-1080333597 issued on October 28, 2019, the strengthening business operation plan shall be reported to the Board of Directors for management and control on a quarterly basis and reported to the shareholders' meeting.
- (II). The interim capital reduction plan to offset accumulated losses of the Company, of which the resolution has been adopted by the extraordinary shareholders meeting on October 2, 2019, has been approved by the Financial Supervisory Commission and become effective with the above-mentioned letter. The updated registration on the Department of Commerce, Ministry of Economic Affairs (MOEA) has been approved by the Letter No. Economic-Commerce-10801175410 issued on December 9, 2019. In addition, the new shares issued after the capital reduction were listed and traded on January 20, 2020.
- (III). Please refer to Pages 48~50 in this Handbook for the implementation report on the 2020 of strengthening business operation plan.
- (IV). Please review accordingly.

#### IV. The Implementation of the Company's 2019 Private Issuance of Ordinary Shares for Capital Increase

##### Explanatory Notes:

- (I). According to Article 5 of the "Directions for Public Companies Conducting Private Placements of Securities", the implementation of the Company's 2019 Private Issuance of Ordinary Shares for Capital Increase shall be reported to the 2021 General Shareholders' Meetings.
- (II). In order to strengthen the working capital, repay bank loans, acquire machinery and equipment or support expenses for 5G development, the Company's extraordinary shareholders meeting has adopted a resolution on October 2, 2019, to increase capital by issuing no more than 1,500,000,000 ordinary shares through private offering, with a face value of NT\$10 per share, which may be issued in one to three batches within a year.
- (III). The Company had completed its first private offering of 1,000,000,000 shares with NT\$10 per share for a cumulative amount of NT\$10,000,000,000 in 2019. The updated registration on the Department of Commerce, Ministry of Economic Affairs (MOEA) has been approved by Letter No. Economic-Commerce-10801175410 issued on December 9, 2019. In addition, the Company's Board of Directors has adopted a resolution on September 4, 2020, that the remaining 500,000,000 ordinary shares will not be issued due to approaching expiration date.
- (IV). Please refer to Page 51~52 in this Handbook for the implementation report on 2019 capital increase through private issuance of ordinary shares.
- (V). Please review accordingly.

## V. Amendments to the Company's "Codes of Ethical Conduct"

### Explanatory Notes:

- (I). Pursuant to the TWSE-Governance-Announcement No. 1090009468 from Taiwan Stock Exchange Corporation (TWSE) dated June 3, 2020, part of the provisions of the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" was amended in accordance with relevant regulations, it is proposed to amend the Company's "Codes of Ethical Conduct". Please refer to Pages 53~56 in this Handbook for the comparison table before and after amendment. For current provisions, please refer to Pages 102~104 in this Handbook.
- (II). Please review.

# Ratifications

Proposal 1

Proposed by the Board of Directors

Proposal: Please ratify the Company's 2020 Business Report and Financial Statements.

Explanatory Notes:

- I. The Company's 2020 Financial Statements (including Consolidated and Stand-alone Financial Statements) have been audited by CPA Yu-Lung Wu and CPA Shih-Chun Huang of PricewaterhouseCoopers (PwC) Taiwan. The CPAs have issued an Audit Report with unqualified opinion which, together with the Business Report, has been reviewed and approved by the Audit Committee of the Company.
- II. Please refer to Pages 17~22 and Pages 24~47 in this Handbook for the Business Report, CPA's Audit Report and various financial statements.
- III. Please ratify.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: Please ratify the Company's 2020 Deficit Compensation Statement.

Explanatory Notes:

I. The Company proposes the following 2020 Deficit Compensation Statement for ratification :

Asia Pacific Telecom Co., Ltd.  
2020 Deficit Compensation Statement

Unit: NT\$

Item	Amount
Beginning loss to be covered	\$ (2,604,463,276)
Less: Net loss for the current period	(5,828,400,984)
Add: Other comprehensive income for the current period	873,728
Ending loss to be covered	\$ (8,431,990,532)

Chairman: 

Manager: 

Accounting Manager: 

II. Please ratify.

Resolution:

# Discussions

Proposal 1

Proposed by the Board of Directors

Proposal: Resolution of amendment to the Company's "Articles of Association"

Explanatory Notes:

- I. Pursuant to practical operation needs, the regulations of "Article 83 of the Telecommunications Management Act", "Article 4 of the XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors" and "Article 14-4, 14-6 of the Securities and Exchange Act", which were promulgated by the competent authorities, and the other relevant regulations, it is proposed to amend partial provisions of the "Articles of Association" of the Company.
- II. Please refer to Pages 57~62 in this Handbook for the comparison table before and after amendment to the "Articles of Association". For current provisions, please refer to Pages 85~92 in this Handbook.
- III. Please resolve.

Resolution:

## Proposal 2

Proposed by the Board of Directors

Proposal: Resolution for the Amendment to the "Rules of Procedure for Shareholders Meetings" of the Company

Explanatory Notes:

- I. Pursuant to the TWSE-Governance-Announcement No. 1090009468 dated June 3, 2020 and TWSE-Governance-Announcement No. 1100001446 dated January 28, 2021 from Taiwan Stock Exchange Corporation (TWSE), the amendment of partial provisions of "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" and the other relevant regulations, it is proposed to amend the "Rules of Procedure for Shareholders Meetings" accordingly.
- II. Please refer to Pages 63~69 in this Handbook for the comparison table before and after amendment to the "Rules of Procedure for Shareholders Meetings". For current provisions, please refer to Pages 93~99 in this Handbook.
- III. Please resolve.

Resolution:

Proposal 3

Proposed by the Board of Directors

Proposal: Resolution of the Amendment to the "Procedures for Election of Directors" of the Company

Explanatory Notes:

- I. Pursuant to the TWSE-Governance-Announcement No. 1090009468 from Taiwan Stock Exchange Corporation (TWSE) dated June 3, 2020, the amendment of partial provisions of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" and the other relevant regulations, it is proposed to amend the Company's "Procedures for Election of Directors".
- II. Please refer to Pages 70~77 in this Handbook for the comparison table before and after amendment to the "Procedures for Election of Directors". For current provisions, please refer to Page 100-101 in this Handbook.
- III. Please resolve.

Resolution:

# Elections

Proposed by the Board of Directors

Proposal: Please proceed with the election of eleven directors (including three independent directors) for the Company's 9th Board of Directors.

Explanatory Notes:

- I. According to Article 195 of the Company Act, "The term of office of a director shall not exceed three years; but he/she may be eligible for re-election". The term of office of the directors of the Company is three years. The term of office of the directors of the Company's 8th Board of Directors will expire on June 19, 2021 and shall be subject to a general re-election at this 2021 General Shareholders' Meeting.
- II. In accordance with Article 15 of the Company's Articles of Association, the 9th Board of Directors shall be eleven directors (including three independent directors), whose term of office will be from June 23, 2021 to June 22, 2024, for a total of three years. The Audit Committee shall be composed of all independent directors.
- 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 78~81 in this Handbook for the List of Directors for the 9th Board of Directors, the number of shares held and education background, and working experience.
- V. Please refer to Page 100-101 in this Handbook for the "Procedures for Election of Directors".
- VI. Please proceed with the election.

Election Results:

# Others

Proposed by the Board of Directors

Proposal: Resolution to release the non-competition restriction on the Company's new directors of the 9th Board of Directors

Explanatory Notes:

- 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. It is proposed to release the non-competition restriction, in accordance with the provisions of the preceding paragraph, on candidates for the director of the 9th Board of Directors of the Company (including independent director), who concurrently hold positions in other companies.
- III. Please refer to Pages 82~83 in this Handbook for the contents for the release of non-competition restriction on the candidates of the Company's 9th Board of Directors (including independent directors).
- IV. Please resolve.

Resolution:

# **Questions and Motions**

## **Adjournment**

# Attachments

- I. 2020 Business Report / 17-22
- II. 2020 Audit Committee's Review Report / 23
- III. CPA's Audit Report and 2020 Financial Statements / 24-47
- IV. The Implementation Report of Strengthening Business Operation Plan on 2020 / 48-50
- V. The Implementation of the Company's 2019 Private Issuance of Ordinary Shares for Capital Increase / 51-52
- VI. Table of Comparison Before and After Amendment to the "Codes of Ethical Conduct" / 53-56
- VII. Table of Comparison Before and After Amendment to the "Articles of Association" / 57-62
- VIII. Table of Comparison Before and After Amendment to the "Rules of Procedure for Shareholder Meetings" / 63-69
- IX. Table of Comparison Before and After Amendment to the "Election Procedures of Directors" / 70-77
- X. List of the Candidates for the 9th Board of Directors / 78-81
- XI. Contents for the Release of Non-Competition Restriction on the Candidates of the Company's 9th Board of Directors (including Independent Directors)/ 82-83



Dear shareholders, ladies and gentlemen,

#### Market Environment

The COVID-19 outbreak in 2020 caused a tremendous impact on the global economy, completely overturning the way of life in many industries, but the crisis was also a turning point. The impact of the epidemic has accelerated the pace of digital transformation of enterprises. Remote work, zero-contact business opportunities and the "stay-at-home" economy have emerged, and the reliance on the Internet is even greater than before.

In 2020, Taiwan's fifth-generation mobile communication technology was officially opened and available for sale. 5G is not only an iterative update of new technologies, but also a more important value that lies in the vertical industrial integration and the emergence of diversified applications. Behind the future smart city scenario, there will be a variety of communication technologies, and Telecom operators have the unique advantage of having the network communication technology to connect all kinds of network devices in the smart city, and master the resources such as cloud and big data. On the other hand, Telecom operators are playing an important role in the industry by working with ecosystem partners to accelerate the promotion of smart applications.

Driven by the environment, the arrival of 5G has become an engine to accelerate the development of intelligent life. Grasping the pulsation of science and technology and taking the lead, as early as 2014, Asia Pacific Telecom Co., Ltd. (APTG) has been taking "GT Intelligent Life" as its brand positioning and focusing on the business development of mobile, broadband and digital. APTG has moved beyond the traditional Telecom industry, promoted digital transformation, and launched a number of industry-leading innovative services and industry changes. In view of the outbreak of "499 all-you-can-eat" in 2018, which brought significant impact on the revenue of traditional telecommunication, more and more peers have joined the transformation in recent years. As a leader in technological innovation and a forerunner in promoting intelligent life, APTG looks forward to seeing more partners to join us to develop the industry together.

APTG launched its 5G operation in October 2020 and launched the new recognition of "5G Intelligent Life - Infinite Possibilities", marking the all-round upgrade of quality, service and application of GT Intelligent Life with the injection of 5G power. In the future, we will use our accumulated rich experience in information and communication integration to promote Intelligent life, layout in six fields including smart manufacturing, energy, transportation, medical care, retail and entertainment, provide complete end-to-end high-quality services, and create more infinite possibilities.

### Financial Performance

With the joint efforts of all our colleagues, APTG has achieved a consolidated total revenue of NT\$13.587 billion in 2020, a pre-tax EBITDA (earnings before interest, taxes, depreciation and amortization) of NT\$445 million and a net profit after tax of -NT\$5.819 billion respectively, and an EPS of -NT\$1.53. APTG has maintained its intelligent life brand positioning, with outstanding performance in digital economy related businesses. The effective users of digital stores have increased by 17%, ICT revenue by 127%, IoT revenue by 379%, and the overall digital economy revenue also jumped 163% from the previous year.

### Business Development

Spectrum resources are the foundation of the development of communication technology. APTG participated in the bidding of 5G first-wave spectrum, and obtained the 400MHz bandwidth in the 28GHz band. For the 3.5GHz band, according to the co-frequency, co-network and co-construction provisions of the new Telecommunications Management Act, we will form an alliance with Far Eas Tone (FET) to provide 5G mobile network services. In addition, on March 3, 2021, the National Communications Commission (NCC) officially approved the application of APTG and FET to share THE 3.5GHz frequency band, which became the first case of frequency and network sharing in Taiwan and wrote a new page for the telecommunications industry.

APTG will continue to deepen its mobile communications business, while maintaining 4G users, also actively promotes the 5G user penetration. Since the launch of 5G operation in the fourth quarter of 2020, APTG's Telecom revenue has recovered steadily. In the future, with the increase of 5G network coverage, APTG will provide customers with more competitive market rates and high-quality network services, driving the increase of ARPU, bringing positive development for the overall operation and optimizing the revenue performance.

In view of the fixed network, APTG has advanced network technology to provide high-speed and stable backbone transmission network. By utilizing the backbone optical fiber network of

Taiwan Railway and Taiwan High Speed Rail and the integration ability of technical resources, APTG actively strives for government bids and large-scale enterprise projects. In 2020, the revenue of fixed network Internet communications increased by 28% compared with that of 2019. Looking forward to 2021, fixed network services will take large bandwidth data circuits and Internet services as the main axis, and continue to drive the revenue growth of information and communication services with industry-leading fixed network advantages.

In addition to the expansion of mobile communications and fixed network businesses, new services are also one of the key development areas in boosting the momentum of revenue. APTG has made use of its long-term accumulated rich experience to focus on related business expansion with 5G, AI, IoT, big data and cloud technology as the core. In 2020, APTG's digital economy revenue, such as ICT, IoT and smart applications, has showed the growth in multiples.

In order to meet the needs of enterprise customers for diversified application solutions, we focus on the development of Open Radio Access Network (O-RAN), create a new type of open network virtual architecture, create a flexible and highly resilient network ecosystem, and provide customized services. We have become the first Telecom provider in Taiwan to introduce the Telecom white box.

The development of vertical application of 5G industry has boosted the demand for 5G corporate private network. APTG has rich experience in network design, construction and maintenance, and facilitates customers to develop the complete end-to-end services. APTG takes the lead in the industry and cooperates with major manufacturers in the field of packaging and testing to deploy the 5G corporate private network and build a smart factory of the future by integrating AGV unmanned vehicles and Mixed Reality (MR) applications to establish a highly human-machine collaboration and efficient working environment. Together with FHnet, a subsidiary of the Group, the Company has built the industry's first Standalone (SA) smart medical experiment field, with end-to-end 5G devices fully designed and manufactured in Taiwan, and introduced the intelligent epidemic prevention robots into medical institutions to assist in disinfection and transportation tasks, reduce the risk of infection of medical staff and improve work efficiency.

In terms of smart air quality, the Company has assisted as many as nine counties and cities in Taiwan to build smart air quality sensing IoT, capturing more than half of the market share and enhancing the efficiency of government air pollution control. In terms of intelligent energy, the Company has won the bid for the smart meter communication system with low-voltage Advanced Metering Infrastructure (AMI) of Teclast in 2020 to build a highly available

intelligent meter-reading IoT, and actively laid out the IoT for environment and energy. APTG is the first to launch the face recognition application service in the industry. The Company has integrated AI visual identification applications, continuously attracted more than 100 business customers from state-owned enterprises, colleges and universities, manufacturing, retail, finance and information services, promoted smart access control and security, smart retail customer analysis, and accelerated the digital transformation of enterprises.

In addition to the corporate market, APTG is committed to expanding the 5G consumer market, integrating content providers and platform providers across industries, and working with JSJ International Entertainment, the world's largest Chinese music publisher, Pili International Multimedia, a cultural and creative brand, and other content providers, to layout the intelligent entertainment field. We have launched the first 4K multi-view online and offline OTT concert and augmented reality (AR) technology merchandise in Taiwan. We are dedicated to supporting Taiwan's originality, promoting the commercialization of AR+ IP (Intellectual Property), and creating new values in Taiwan's 5G entertainment industry.

APTG digital stores have joined hands with FamilyMart and Hi-Life to provide users with one-stop service that they can quickly place orders on the online digital store in 10 minutes, and carry out identity authentication, card purchase and card retrieval in offline supermarkets, extending more than 5,000 physical sites from online to offline, creating a Telecom and e-commerce ecosystem that is the fastest and most convenient in Taiwan.

The 5G generation, combined with a variety of emerging technologies, will bring out more innovative applications. Telecom companies will provide a more diverse range of services. APTG is actively transforming and entering the 5G market. In the customer service sector, it follows the trend of science and technology, introduces digital applications such as knowledge base management system, AI voice quality control system and innovative functions of GT APP to optimize the system and process, provide systematic, professional and customized services and have won awards such as "CSEA Outstanding Customer Service Award" and "2020 Knowledge Management Model Case" by SGS.

### Corporate Social Responsibility

APTG has long been committed to sound corporate governance, with a strong focus on environmental protection and social responsibility as the cornerstone of sustainable operation. In 2020, APTG participated the 13th Taiwan Corporate Sustainability Awards (TCSA) hosted by Taiwan Institute for Sustainable Energy (TAISE) for the first time and won the "Bronze Award of Corporate Sustainability Reports for Telecom Communication Industry", and has

been highly recognized for its outstanding performance in ESG (Environmental, Social, and Governance) of sustainable corporate development.

APTG will continue to fulfill its corporate social responsibility in accordance with the 17 SDGs (Sustainable Development Goals) of the United Nations to bridge the digital learning gap, create a friendly workplace, nurture talents, care for the vulnerable, and fulfill its role as a corporate citizen in pursuit of a sustainable future.

#### Future Outlook

Taiwan has officially entered a new era of 5G, an innovative mobile communications generation that is the foundation for the intelligent vertical application of the entire IoT. The revenue source of Telecom operators is not only for individual users, but also for intelligent vertical field applications from enterprises, which is bound to account for a considerable proportion and is a huge new blue ocean for Telecom operators.

APTG has the 5G Mid-High Frequency (MHF) band of 3.5GHz+28GHz. In the future, APTG will make good use of its spectrum advantages, give full play to its rich experience in the application integration of intelligent vertical fields, and help corporate customers to improve quality, increase efficiency, reduce costs, reduce inventory, solve customer needs, create end-to-end solutions, and strive to be the world's leading intelligent vertical application system integrator.

Looking ahead to the year 2021, the COVID-19 epidemic and other environmental challenges are still there. APTG will continue to maintain flexible response capacity, strengthen the nature of its business, uphold the spirit of intelligent life, and make every effort to accelerate the 5G cause through cross-industry and cross-field integration. In addition to continuing to consolidate the personal consumption market, we also actively grasp the pulse of business opportunities in digitization of enterprises. With years of accumulated experience and innovative technologies in IoT and ICT, we will work with more partners to expand the 5G ecosystem, and combine the R&D and manufacturing strength and resource advantages of Foxconn Technology Group and its strategic partners to look into the future with a new scientific and technological vision and jointly break a new ground in 5G.

Finally, we would like to thank all the shareholders for their trust and support along the way. All colleagues of APTG promise to make more efforts, make breakthroughs, accelerate the development of 5G market, and promote the Company's operation to develop in a positive way. We look forward to welcoming a prosperous future together with you.

Chairman: 

Manager: 

Accounting Manager: 

**Attachment II**

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

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and Proposal of Deficit Compensation. The CPAs of PricewaterhouseCoopers, Mr. Wu, Yu-Lung and Mr. Huang, Shih-Chun, have audited the Financial Statements, including Consolidated and Stand-alone Financial Statements, and issued the auditors reports. The above-mentioned Business Report, Financial Statements, and Proposal of Deficit Compensation have been reviewed and found no discrepancies by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this Report to the 2021 Annual General Meeting of the Company for ratifications.

Asia Pacific Telecom Co., Ltd.

Yi-Wen Chen



Convener of the Audit Committee  
March 25, 2021

<b>Attachment III</b>
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**Independent Auditors' Report Translated from Chinese**

PWCR20003093

To the Board of Directors and Shareholders of Asia Pacific Telecom Co., Ltd.

***Opinion***

We have audited the accompanying consolidated balance sheets of Asia Pacific Telecom Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission of the Republic of China.

***Basis for opinion***

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

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the year ended December 31, 2020 are stated as follows:

### ***Key audit matter – Accuracy of revenue calculation on telecommunication service***

#### Description

For accounting policies applied to revenue recognition, please refer to Note 4(28). For details of revenue, please refer to Note 6(20).

The Group's revenue are mainly generated from providing telecommunication services and selling mobile phones, etc. Telecommunication services revenue consist of voice/text and mobile data service. Revenue recognition on telecommunication service is calculated based on contractual rate and actual usage. Due to the high transaction volume and the diversification of the telecommunication contracts, the Group's revenue recognition highly relies on the system calculation. Thus, the accuracy of telecommunication service revenue calculation was identified as a key audit matter.

#### How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding and tested the control activities which management has put in place in regard to the calculation accuracy of telecommunication services.
2. Obtained an understanding of the reasonableness of revenue calculation logic on telecommunication services and tested the key control activities in relating to traffic volume and contractual rate.
3. Sampled system generated calculation reports of telecommunication services revenue and agreed to customers' bills.
4. Agreed system generated calculation reports of telecommunication services revenue to journal entry vouchers.
5. Agreed the information in customers' contracts to the information in the system.

### ***Key audit matter – Impairment assessment of operating assets***

#### Description

For accounting policies applied to property, plant and equipment and intangible assets, please refer to Notes 4(15) and (17). For accounting policies applied to impairment assessment of non-financial assets, please refer to Note 4(18). For critical accounting estimates and key sources of assumption uncertainty applied to property, plant and equipment, intangible assets

and other operating assets, please refer to Note 5(2). For details of account items, please refer to Notes 6(6), (8) and (9).

The Group's operating assets represents a significant percentage of total assets, and the valuation of these assets is affected by the overall industry developments and the Group's operation. The Group used the value in use to estimate the recoverable amount which involves management's judgements, such as the estimation of future cash flows and the determination of discount rate, etc. Management's judgements mentioned above involve future years' forecast which are highly uncertain and have a material impact to the estimation of value in use. Therefore, the impairment assessment of operating assets was identified as a key audit matter.

#### How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

We obtained and assessed the information provided by the Group and the valuation report prepared by external professional valuers engaged by the Group.

1. Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
2. Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on similar assets.
3. Verified the valuation model calculation.
4. Assessed the future cash flow sensitivity analysis based on the alternative hypothesis using different discount rates, and considered the possible impact on the estimation uncertainty of impairment assessment.

#### ***Other matter – Parent company only financial statements***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Asia Pacific Telecom Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

#### ***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the

entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wu, Yu-Lung

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2021

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The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation

**ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2020		December 31, 2019			
ASSETS			Notes	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	5,871,722	15	\$	8,204,093	18
1110	Current financial assets at fair value through profit or loss	6(2)		-	-		16,021	-
1140	Current contract assets	6(20)		245,524	1		261,748	1
1150	Notes receivable, net	6(3)		5,481	-		3,846	-
1170	Accounts receivable, net	6(3)		1,602,687	4		1,474,871	3
1180	Accounts receivable due from related parties, net	6(3) and 7(3)		13,348	-		66,526	-
1200	Other receivables	7(3)		65,512	-		67,447	-
1220	Current tax assets	6(27)		3,911	-		17,109	-
130X	Inventories	6(4)		171,617	1		384,718	1
1410	Prepayments	7(3)		116,533	-		309,315	1
1470	Other current assets	6(5) and 8		75,365	-		133,411	-
11XX	Total current assets			8,171,700	21		10,939,105	24
Non-current assets		6(2)						
1560	Non-current contract assets	6(20)		186,035	-		113,839	-
1550	Investment accounted for using the equity method	4(3)		204,950	1		-	-
1600	Property, plant and equipment	6(6) and 7(3)		9,079,005	23		10,766,263	24
1755	Right-of-use assets	6(7) and 7(3)		4,017,384	10		3,638,738	8
1780	Intangible assets	6(8) and 7(3)		10,544,652	27		11,171,564	24
1840	Deferred tax assets	6(27)		3,756,904	9		4,256,393	9
1900	Other non-current assets	6(9)(10), 7(3) and 8		3,716,017	9		4,865,055	11
15XX	Total non-current assets			31,504,947	79		34,811,852	76
1XXX	Total Assets		\$	39,676,647	100	\$	45,750,957	100

(Continued)

**ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2020		December 31, 2019	
LIABILITIES AND EQUITY		Notes	Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 1,190,000	3	\$ 1,550,000	3
2110	Short-term notes and bills payable		230,000	1	750,000	2
2130	Current contract liabilities	6(20) and 7(3)	524,432	2	300,897	1
2150	Notes payable		18,609	-	20,983	
2170	Accounts payable		779,903	2	980,208	2
2180	Accounts payable to related parties	7(3)	58,648	-	31,374	-
2200	Other payables	6(12) and 7(3)	2,881,662	7	2,413,775	5
2230	Current tax liabilities	6(27)	-	-	25,015	-
2250	Current provisions	6(13)	8,037	-	18,750	-
2280	Current lease liabilities	7(3)	1,282,354	3	1,217,416	3
2300	Other current liabilities		923	-	11,249	-
21XX	Total current liabilities		6,974,568	18	7,319,667	16
Non-current liabilities						
2550	Non-current provisions	6(13)	407,915	1	369,953	1
2570	Deferred tax liabilities	6(27)	78	-	23,548	-
2580	Non-current lease liabilities	7(3)	2,286,733	6	1,994,753	4
2600	Other non-current liabilities	6(16)	267,381	-	287,143	1
25XX	Total non-current liabilities		2,962,107	7	2,675,397	6
2XXX	Total Liabilities		9,936,675	25	9,995,064	22
Equity attributable to owners of parent						
Share capital						
		6(17)				
3110	Common shares		38,171,964	96	38,171,964	84
Capital surplus						
		6(18)				
3200	Capital surplus		-	-	-	-
Retained earnings						
		6(19)				
3310	Legal reserve		-	-	-	-
3350	Accumulated deficit		( 8,431,990)	( 21)	( 2,604,463)	( 6)
3400	Other equity					
	Other equity		( 2)	-	-	-
31XX	Total equity attributable to owners of the parent		29,739,972	75	35,567,501	78
36XX	Non-controlling interests		-	-	188,392	-
3XXX	Total Equity		29,739,972	75	35,755,893	78
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total Liabilities and Equity		\$ 39,676,647	100	\$ 45,750,957	100

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

**ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE AMOUNT)

		Years ended December 31,				
		2020		2019		
	Notes	Amount	%	Amount	%	
4000	Operating revenue	6(20) and 7(3)	\$ 13,587,443	100	\$ 14,246,066	100
5000	Operating costs	6(4)(25) and 7(3)	( 13,901,570)	( 102)	( 13,675,272)	( 96)
5900	Gross profit or loss		( 314,127)	( 2)	570,794	4
	Operating expenses	6(25), 7(3)(4)				
6100	Selling expenses		( 3,820,562)	( 28)	( 4,266,536)	( 30)
6200	Administrative expenses		( 1,263,723)	( 9)	( 1,369,915)	( 9)
6450	Expected credit loss	12(2)	( 95,893)	( 1)	( 103,995)	( 1)
6000	Total operating expenses		( 5,180,178)	( 38)	( 5,740,446)	( 40)
6900	Operating loss		( 5,494,305)	( 40)	( 5,169,652)	( 36)
	Non-operating income and expenses					
7100	Interest income	6(21)	26,568	-	8,303	1
7010	Other income	6(22) and 7(3)	140,697	1	94,910	-
7020	Other gains and losses	6(23)	13,259	-	422	-
7050	Finance costs	6(24) and 7(3)	( 59,245)	-	( 78,965)	( 1)
	Share of income from associates and joint ventures accounted for using equity method		20,590	-	-	-
7000	Total non-operating income and expenses		141,869	1	24,670	-
7900	Loss before tax		( 5,352,436)	( 39)	( 5,144,982)	( 36)
7950	Income tax expense	6(27)	( 467,544)	( 4)	( 16,891)	-
8200	Loss		(\$ 5,819,980)	( 43)	(\$ 5,161,873)	( 36)
	Other comprehensive income (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 1,092	-	\$ 4,869	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(27)	( 218)	-	( 973)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		874	-	3,896	-
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation		( 16)	-	( 49)	-
8360	Components of other comprehensive income that may be reclassified to profit or loss		( 16)	-	( 49)	-
8500	Total comprehensive loss		(\$ 5,819,122)	( 43)	(\$ 5,158,026)	( 36)
	Profit (loss), attributable to:					
8610	Owners of the parent		(\$ 5,828,401)	( 43)	(\$ 5,200,072)	( 36)
8620	Non-controlling interests		\$ 8,421	-	\$ 38,199	-
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		(\$ 5,827,529)	( 43)	(\$ 5,196,197)	( 36)
8720	Non-controlling interests		\$ 8,407	-	\$ 38,171	-
9750	Basic losses per share	6(28)	(\$ 1.53)		(\$ 1.78)	
9850	Diluted losses per share	6(28)	(\$ 1.53)		(\$ 1.78)	

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

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent										
	Capital surplus				Retained earnings		Other equity			
							Exchange difference on translation of foreign financial statements		Non-controlling interests	Total equity
Notes	Common shares	Share premium	Employee stock options	Others	Legal reserve	Accumulated deficit		Total		
<b>Year 2019</b>										
Balance at January 1, 2019	\$ 42,982,322	\$ 6,622,960	\$ 155,051	\$ 8,816	\$ 535,041	(\$ 19,555,705)	\$ 21	\$ 30,748,506	\$ 114,945	\$ 30,863,451
(Loss) profit	-	-	-	-	-	( 5,200,072)	-	( 5,200,072)	38,199	( 5,161,873)
Other comprehensive income (loss)	-	-	-	-	-	3,896	( 21)	3,875	( 28)	3,847
Total comprehensive income (loss)	-	-	-	-	-	( 5,196,176)	( 21)	( 5,196,197)	38,171	( 5,158,026)
Compensation cost of employee stock options	6(15)	-	-	4,731	7,335	-	-	12,066	6,007	18,073
Employee stock options forfeited		-	-	( 12,728)	12,728	-	-	-	-	-
Exercise of employee stock options		-	-	-	-	-	-	-	32,395	32,395
Changes in ownership interests in subsidiaries		-	-	-	3,126	-	-	3,126	( 3,126)	-
Legal reserve used to offset accumulated deficit	6(19)	-	-	-	( 535,041)	535,041	-	-	-	-
Capital surplus used to offset accumulated deficit	6(18)	-	( 6,622,960)	( 147,054)	( 32,005)	-	6,802,019	-	-	-
Capital reduction to offset accumulated deficit	6(17)	( 14,810,358)	-	-	-	14,810,358	-	-	-	-
Issuance of shares	6(17)	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000
Balance at December 31, 2019	\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 2,604,463)	\$ -	\$ 35,567,501	\$ 188,392	\$ 35,755,893
<b>Year 2020</b>										
Balance at January 1, 2020	\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 2,604,463)	\$ -	\$ 35,567,501	\$ 188,392	\$ 35,755,893
(Loss) profit	-	-	-	-	-	( 5,828,401)	-	( 5,828,401)	8,421	( 5,819,980)
Other comprehensive income (loss)	-	-	-	-	-	874	( 2)	872	( 14)	858
Total comprehensive income (loss)	-	-	-	-	-	( 5,827,527)	( 2)	( 5,827,529)	8,407	( 5,819,122)
Changes in non-controlling interests		-	-	-	-	-	-	-	95,978	95,978
Proceeds from disposal of subsidiaries	6(29)	-	-	-	-	-	-	-	( 292,777)	( 292,777)
Balance at December 31, 2020	\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 8,431,990)	(\$ 2)	\$ 29,739,972	\$ -	\$ 29,739,972

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

**ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 5,352,436)	(\$ 5,144,982)
Adjustment to reconcile loss before tax to net cash (used in) provided by operating activities:			
Depreciation	6(25)	4,282,481	4,313,475
Amortization	6(25)	1,657,183	1,699,078
Amortization on assets recognized as incremental costs to obtain contract with customers	6(9)	1,858,896	2,308,836
Expected credit loss	12(2)	95,893	103,995
Net (gain) loss on financial assets at fair value through profit or loss	6(23)	( 507)	( 21)
Interest expense	6(24)	59,245	78,965
Interest income	6(21)	( 26,568)	( 8,303)
Compensation cost of employee stock options	6(15)	-	18,073
Share of (profit) loss of associates accounted for using equity method		( 20,590)	-
(Gain) loss on disposal of property, plant and equipment	6(23)	( 1,410)	( 15,123)
Property, plant, equipment transferred to costs and expenses		-	229
Gain on disposal of investments	6(23)	( 11,981)	-
Provision for litigation loss	6(23)	1,138	11,681
Reversal of provision	6(22)	( 1,248)	( 11,520)
Gains arising from lease modifications	6(23)	( 561)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		16,528	( 16,000)
Contract assets		( 56,479)	54,288
Notes receivable		( 3,355)	8,040
Accounts receivable		( 445,960)	( 155,670)
Accounts receivable due from related parties		( 96,685)	76,550
Other receivables		196	56,038
Inventories		60,873	274,799
Prepayments		213,267	( 2,018)
Assets recognized as incremental costs to obtain contract with customers		( 1,924,120)	( 1,621,859)
Changes in operating liabilities			
Contract liabilities		229,730	32,229
Notes payable		( 2,374)	332
Accounts payable		171,405	( 334,999)
Accounts payable to related parties		43,482	( 23,821)
Other payables		397,329	( 163,475)
Other current liabilities		( 10,326)	( 40,744)
Provisions		( 9,334)	( 19,031)
Net defined benefit liabilities		( 14,291)	( 16,521)
Other non-current liabilities		8,907	27,578
Cash provided by operations		1,118,328	1,490,099
Income tax paid		( 24,669)	( 5,250)
Income tax refund		13,511	2,078
Net cash provided by operating activities		1,107,170	1,486,927

(Continued)

**ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Net cash outflow on loss control of subsidiaries		(\$ 423,840)	\$ -
Acquisition of property, plant and equipment	6(29)	( 1,008,889)	( 2,637,441)
Proceeds from disposal of property, plant and equipment		9,332	32,418
Increase in refundable deposits		( 247,020)	( 1,193,043)
Decrease in refundable deposits		1,153,005	191,343
Acquisition of intangible assets	6(8)	( 505,105)	( 110,259)
Decrease in other current assets - restricted deposits		51,941	37,333
Increase in other non-current assets		( 162,690)	( 271,011)
Increase in other non-current assets - restricted deposits		( 11,902)	( 8,577)
Interest received		29,082	4,687
Dividend received		21,271	-
Net cash used in investing activities		( 1,094,815)	( 3,954,550)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(30)	( 360,000)	420,000
(Decrease) increase in short-term notes and bills payable	6(30)	( 520,000)	750,000
Increase in guarantee deposits received	6(30)	60,228	66,588
Decrease in guarantee deposits received	6(30)	( 58,316)	( 73,874)
Repayments of principal portion of lease liabilities	6(30)	( 1,502,826)	( 1,446,957)
Proceeds from issuance of shares	6(17)	-	10,000,000
Exercise of employee stock options		-	32,395
Interest paid		( 59,760)	( 78,436)
Changes in non-controlling interests		95,978	-
Net cash (used in) provided by financing activities		( 2,344,696)	9,669,716
Effect of exchange rate		( 30)	( 49)
(Decrease) increase in cash and cash equivalents		( 2,332,371)	7,202,044
Cash and cash equivalents at beginning of the year		8,204,093	1,002,049
Cash and cash equivalents at end of the year		\$ 5,871,722	\$ 8,204,093

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

## **Independent Auditors' Report Translated from Chinese**

PWCR20003089

To the Board of Directors and Shareholders of Asia Pacific Telecom Co., Ltd.

### ***Opinion***

We have audited the accompanying balance sheets of Asia Pacific Telecom Co., Ltd. (the “Company”) as at December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements of the year ended December 31, 2020 are stated as follows:

#### ***Key audit matter – Accuracy of revenue calculation on telecommunication service***

##### **Description**

For accounting policies applied to revenue recognition, please refer to Note 4(27). For details of revenue, please refer to Note 6(20).

The Company's revenue is mainly generated from providing telecommunication services and selling mobile phones, etc. Telecommunication services revenue consist of voice/text and mobile data service. Revenue recognition on telecommunication service is calculated based on contractual rate and actual usage. Due to the high transaction volume and the diversification of the telecommunication contracts, the Company's revenue recognition highly relies on the system calculation. Thus, the accuracy of telecommunication service revenue calculation was identified as a key audit matter.

#### How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding and tested the control activities which management has put in place regarding the calculation accuracy of telecommunication services.
2. Obtained an understanding of the reasonableness of revenue calculation logic on telecommunication services and tested the key control activities relating to traffic volume and contractual rate.
3. Sampled system generated calculation reports of telecommunication services revenue and agreed to customers' bills.
4. Agreed system generated calculation reports of telecommunication services revenue to journal entry vouchers.
5. Agreed the information in customers' contracts to the information in the system.

## ***Key audit matter – Impairment assessment of operating assets***

### **Description**

For accounting policies applied to property, plant and equipment and intangible assets, please refer to Notes 4(14) and (16). For accounting policies applied to impairment assessment of non-financial assets, please refer to Note 4(17). For critical accounting estimates and key sources of assumption uncertainty applied to property, plant and equipment, intangible assets and other operating assets, please refer to Note 5(2). For details of account items, please refer to Notes 6(6), (8) and (9).

The Company's operating assets represents a significant percentage of total assets, and the valuation of these assets is affected by the overall industry developments and the Company's operation. The Company used the value in use to estimate the recoverable amount which involves management's judgements, such as the estimation of future cash flows and the determination of discount rate, etc. Management's judgements mentioned above involve future years' forecast which are highly uncertain and have a material impact on estimation of value in use. Therefore, the impairment assessment of operating assets was identified as a key audit matter.

### **How our audit addressed the matter**

Our key audit procedures performed in respect of the above included the following:

We obtained and assessed the information provided by the Company and the valuation report prepared by external professional valuers engaged by the Company.

1. Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
2. Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on similar assets.
3. Verified the valuation model calculation.
4. Assessed the future cash flow sensitivity analysis based on the alternative hypothesis using different discount rates and considered the possible impact on the estimation uncertainty of impairment assessment.

### ***Responsibilities of management and those charged with governance for the financial statements***

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

### ***Auditors’ responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than of one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wu, Yu-Lung

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2021

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The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**ASIA PACIFIC TELECOM CO., LTD.**  
PARENT COMPANY ONLY BALANCE SHEETS  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2020		December 31, 2019			
ASSETS			Notes	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	5,868,549	15	\$	7,881,810	17
1140	Current contract assets	6(20)		245,524	1		261,748	1
1150	Notes receivable, net	6(3)		5,481	-		3,017	-
1170	Accounts receivable, net	6(3)		1,602,687	4		1,375,523	3
1180	Accounts receivable due from related parties, net	6(3) and 7(3)		13,348	-		20,955	-
1200	Other receivables			65,512	-		67,406	-
1220	Current tax assets	6(27)		3,911	-		16,584	-
130X	Inventories	6(4)		171,617	1		346,664	1
1410	Prepayments	7(3)		116,534	-		359,307	1
1470	Other current assets	6(5) and 8		75,365	-		129,001	-
11XX	Total current assets			8,168,528	21		10,462,015	23
Non-current assets		6(2)						
1560	Non-current contract assets	6(20)		186,035	-		113,839	-
1550	Investments accounted for using equity method			208,066	1		192,538	-
1600	Property, plant and equipment	6(6) and 7(3)		9,079,005	23		10,737,022	24
1755	Right-of-use assets	6(7) and 7(3)		4,017,384	10		3,632,386	8
1780	Intangible assets	6(8) and 7(3)		10,544,652	27		11,168,612	25
1840	Deferred tax assets	6(27)		3,756,904	9		4,245,592	9
1900	Other non-current assets	6(9)(10), 7(3) and 8		3,716,017	9		4,850,885	11
15XX	Total non-current assets			31,508,063	79		34,940,874	77
1XXX	Total Assets		\$	39,676,591	100	\$	45,402,889	100

(Continued)

**ASIA PACIFIC TELECOM CO., LTD.**  
PARENT COMPANY ONLY BALANCE SHEETS  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11)	\$ 1,190,000	3	\$ 1,545,000	3
2110	Short-term notes and bills payable		230,000	1	750,000	2
2130	Current contract liabilities	6(20) and 7(3)	524,432	2	298,891	1
2150	Notes payable		18,609	-	20,358	-
2170	Accounts payable		779,903	2	500,066	1
2180	Accounts payable to related parties	7(3)	58,648	-	39,167	-
2200	Other payables	6(12) and 7(3)	2,881,606	7	2,780,896	6
2250	Current provisions	6(13)	8,037	-	17,481	-
2280	Current lease liabilities	7(3)	1,282,354	3	1,214,381	3
2300	Other current liabilities		923	-	11,249	-
21XX	<b>Total current liabilities</b>		<u>6,974,512</u>	<u>18</u>	<u>7,177,489</u>	<u>16</u>
<b>Non-current liabilities</b>						
2550	Non-current provisions	6(13)	407,915	1	369,953	1
2570	Deferred tax liabilities	6(27)	78	-	23,548	-
2580	Non-current lease liabilities	7(3)	2,286,733	6	1,991,285	4
2600	Other non-current liabilities	6(16)	267,381	-	273,113	1
25XX	<b>Total non-current liabilities</b>		<u>2,962,107</u>	<u>7</u>	<u>2,657,899</u>	<u>6</u>
2XXX	<b>Total Liabilities</b>		<u>9,936,619</u>	<u>25</u>	<u>9,835,388</u>	<u>22</u>
<b>Share capital</b>		6(17)				
3110	Common shares		38,171,964	96	38,171,964	84
<b>Capital surplus</b>		6(18)				
3200	Capital surplus		-	-	-	-
<b>Retained earnings</b>		6(19)				
3310	Legal reserve		-	-	-	-
3350	Accumulated deficit		( 8,431,990)	( 21)	( 2,604,463)	( 6)
<b>Other equity</b>						
3400	Other equity		( 2)	-	-	-
3XXX	<b>Total Equity</b>		<u>29,739,972</u>	<u>75</u>	<u>35,567,501</u>	<u>78</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>		9				
<b>Significant events after the balance sheet date</b>		11				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 39,676,591</u>	<u>100</u>	<u>\$ 45,402,889</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

**ASIA PACIFIC TELECOM CO., LTD.**  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE AMOUNT)

		Years ended December 31,				
		2020		2019		
	Notes	Amount	%	Amount	%	
4000	Operating revenue	6(20) and 7(3)	\$ 13,268,014	100	\$ 13,499,710	100
5000	Operating costs	6(4)(25) and 7(3)	( 13,630,733)	( 102)	( 13,102,023)	( 97)
5900	Gross profit or loss		( 362,719)	( 2)	397,687	3
	Operating expenses	6(25), 7(3)(4)				
6100	Selling expenses		( 3,807,038)	( 29)	( 4,248,898)	( 31)
6200	Administrative expenses		( 1,249,103)	( 9)	( 1,312,722)	( 10)
6450	Expected credit loss	12(2)	( 94,426)	( 1)	( 94,969)	( 1)
6000	Total operating expenses		( 5,150,567)	( 39)	( 5,656,589)	( 42)
6900	Operating loss		( 5,513,286)	( 41)	( 5,258,902)	( 39)
	Non-operating income and expenses					
7100	Interest income	6(21)	25,344	-	7,689	-
7010	Other income	6(22) and 7(3)	141,784	1	97,488	1
7020	Other gains and losses	6(23)	13,962	-	614	-
7050	Finance costs	6(24) and 7(3)	( 59,122)	-	( 78,556)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net		27,920	-	31,595	-
7000	Total non-operating income and expenses		149,888	1	58,830	1
7900	Loss before tax		( 5,363,398)	( 40)	( 5,200,072)	( 38)
7950	Income tax expense	6(27)	( 465,003)	( 4)	-	-
8200	Loss		(\$ 5,828,401)	( 44)	(\$ 5,200,072)	( 38)
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 1,092	-	\$ 4,869	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(27)	( 218)	-	( 973)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		874	-	3,896	-
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation		( 2)	-	( 21)	-
8360	Components of other comprehensive income that may be reclassified to profit or loss		( 2)	-	( 21)	-
8300	Other comprehensive income, net		\$ 872	-	\$ 3,875	-
8500	Total comprehensive loss		(\$ 5,827,529)	( 44)	(\$ 5,196,197)	( 38)
9750	Basic losses per share	6(28)	(\$ 1.53)		(\$ 1.78)	
9850	Diluted losses per share	6(28)	(\$ 1.53)		(\$ 1.78)	

The accompanying notes are an integral part of these parent company only financial statements.

**ASIA PACIFIC TELECOM CO., LTD.**  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Capital surplus			Retained earnings		Other equity		Total equity
		Common shares	Share premium	Employee stock options	Others	Legal reserve	Accumulated deficit	Exchange difference on translation of foreign financial statements	
<b>Year 2019</b>									
Balance at January 1, 2019		\$ 42,982,322	\$ 6,622,960	\$ 155,051	\$ 8,816	\$ 535,041	(\$ 19,555,705)	\$ 21	\$ 30,748,506
Loss		-	-	-	-	-	( 5,200,072)	-	( 5,200,072)
Other comprehensive income (loss)		-	-	-	-	-	3,896	( 21)	3,875
Total comprehensive loss		-	-	-	-	-	( 5,196,176)	( 21)	( 5,196,197)
Compensation cost of employee stock options	6(15)	-	-	4,731	7,335	-	-	-	12,066
Options for employee stock options forfeited		-	( 12,728)	-	12,728	-	-	-	-
Changes in ownership interests in subsidiaries		-	-	-	3,126	-	-	-	3,126
Legal reserve used to offset accumulated deficit	6(19)	-	-	-	( 535,041)	-	535,041	-	-
Capital surplus used to offset accumulated deficit	6(18)	( 6,622,960)	( 147,054)	( 32,005)	-	-	6,802,019	-	-
Capital reduction to offset accumulated deficit	6(17)	( 14,810,358)	-	-	-	-	14,810,358	-	-
Issuance of shares	6(17)	10,000,000	-	-	-	-	-	-	10,000,000
Balance at December 31, 2019		\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 2,604,463)	\$ -	\$ 35,567,501
<b>Year 2020</b>									
Balance at January 1, 2020		\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 2,604,463)	\$ -	\$ 35,567,501
Loss		-	-	-	-	-	( 5,828,401)	-	( 5,828,401)
Other comprehensive income (loss)		-	-	-	-	-	874	( 2)	872
Total comprehensive loss		-	-	-	-	-	( 5,827,527)	( 2)	( 5,827,529)
Balance at December 31, 2020		\$ 38,171,964	\$ -	\$ -	\$ -	\$ -	(\$ 8,431,990)	(\$ 2)	\$ 29,739,972

The accompanying notes are an integral part of these parent company only financial statements.

**ASIA PACIFIC TELECOM CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

		Years ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 5,363,398)	(\$ 5,200,072)
Adjustments			
Adjustment to reconcile loss before tax to net cash (used in) provided by operating activities:			
Depreciation	6(25)	4,279,965	4,307,859
Amortization	6(25)	1,656,715	1,697,714
Amortization on assets recognized as incremental costs to obtain contract with customers	6(9)	1,858,896	2,308,836
Expected credit loss	12(2)	94,426	94,969
Net (gain) loss on financial assets at fair value through profit or loss	6(23)	( 486)	-
Interest expense	6(24)	59,122	78,556
Interest income	6(21)	( 25,344)	( 7,689)
Compensation cost of employee stock options	6(15)	-	4,490
Subsidiaries issuing employee stock options to the parent company's employees		-	667
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method		( 27,920)	( 31,595)
Gain on disposal of property, plant and equipment	6(23)	( 1,410)	( 15,123)
Gain on disposal of long-term equity investments	6(23)	( 11,981)	-
Provision for litigation loss	6(23)	1,138	11,681
Reversal of provision	6(22)	( 1,248)	( 11,520)
Gains arising from lease modifications	6(23)	( 561)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		486	-
Contract assets		( 56,479)	54,287
Notes receivable		( 2,464)	5,970
Accounts receivable		( 321,083)	( 100,068)
Accounts receivable due from related parties		7,607	99,983
Other receivables		( 594)	62,350
Inventories		175,028	( 47,073)
Prepayments		276,100	( 66,575)
Assets recognized as incremental costs to obtain contract with customers		( 1,924,120)	( 1,621,859)
Changes in operating liabilities			
Contract liabilities		225,541	106,715
Notes payable		( 1,749)	( 293)
Accounts payable		279,837	( 301,362)
Accounts payable to related parties		19,481	( 12,676)
Other payables		270,362	( 205,411)
Provisions		( 9,334)	( 20,300)
Other current liabilities		( 10,326)	( 40,744)
Net defined benefit liabilities		( 14,291)	( 16,521)
Other non-current liabilities		8,907	27,578
Cash provided by operations		1,440,823	1,162,774
Income tax paid		( 841)	( 309)
Income tax refund		13,511	2,075
Net cash provided by operating activities		1,453,493	1,164,540

(Continued)

**ASIA PACIFIC TELECOM CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

		Years ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of investments accounted for using equity method		\$ 3,100	\$ -
Acquisition of property, plant and equipment	6(29)	( 1,389,961)	( 2,408,305)
Proceeds from disposal of property, plant and equipment		9,332	32,415
Increase in refundable deposits		( 230,059)	( 1,166,388)
Decrease in refundable deposits		1,153,005	165,909
Acquisition of intangible assets	6(8)	( 505,105)	( 109,448)
Decrease in other current assets - restricted deposits		53,636	41,743
Increase in other non-current assets		( 162,690)	( 271,010)
Increase in other non-current assets - restricted deposits		( 11,902)	( 8,577)
Interest received		27,832	4,018
Cash dividend received		21,271	-
Net cash used in investing activities		( 1,031,541)	( 3,719,643)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(30)	( 355,000)	445,000
(Decrease) increase in short-term notes and bills payable	6(30)	( 520,000)	750,000
Increase in guarantee deposits received	6(30)	59,060	56,201
Decrease in guarantee deposits received	6(30)	( 58,316)	( 66,172)
Repayments of principal portion of lease liabilities	6(30)	( 1,501,320)	( 1,444,313)
Proceeds from issuance of shares	6(17)	-	10,000,000
Interest paid		( 59,637)	( 78,026)
Net cash (used in) provided by financing activities		( 2,435,213)	9,662,690
(Decrease) increase in cash and cash equivalents		( 2,013,261)	7,107,587
Cash and cash equivalents at beginning of the year		7,881,810	774,223
Cash and cash equivalents at end of the year		\$ 5,868,549	\$ 7,881,810

The accompanying notes are an integral part of these parent company only financial statements.

## **The Implementation of Strengthening Business Operation Plan on 2020**

### **I. Business Strategy:**

- (I) In order to continuously increase the number of users and average revenue per user (ARPU) to stabilize the telecom revenue, the following action plan has been implemented:
1. In response to the COVID-19 epidemic, every effort has been made for teleconferencing, health and safety and online audio-visual services.
  2. Digital stores have joined hands with FamilyMart and Hi-Life to provide users with one-stop service that they can quickly place orders on the online digital store, and carry out identity authentication, card purchase and card retrieval in offline supermarkets
  3. Expand retail outlets. It is expected that direct sales by salesmen in retail outlets will increase the number of "newly installed" outlet and reduce the number of surrender of tenancy.
  4. In September 2020, the Company announced a strategic alliance with Far EasTone Telecommunications Co., Ltd. (hereinafter referred to as "FET") to carry out cooperation in the construction of co-spectrums and co-network in the 3.5GHz frequency band, and the business cooperation for 20 years. The following benefits are expected:
    - (1) Share technology and network resources with FET.
    - (2) Reduce the cost of 5G network construction and maintenance for both sides.
    - (3) Accelerate network coverage and aggregate a wide range of application services.
  5. The Company introduced 5G service in October 2020 and launched the new recognition of "5G Intelligent Life - Infinite Possibilities", marking the all-round upgrade of quality, service and application of GT Intelligent Life with the injection of 5G power.

(II) Expand total operating revenue from fixed networks and new services:

1. Utilize the backbone optical fiber network of Taiwan Railway and Taiwan High Speed Rail and the integration ability of technical resources, actively strive for government bids and large-scale enterprise projects.
2. Transform into a provider of business application solutions, focusing on the expansion of related businesses (such as ICT, IoT and intelligent application) with 5G, AI, IoT, big data and cloud technology as the core.
3. Develop innovative 5G value-added applications (such as AR, VR, 4K, streaming multimedia and games), and integrate content providers and platform providers across industries to expand the 5G consumer market.

II. Financial Overview:

The consolidated income and financial analysis of the Company for 2020 are as follows:

Unit: NT\$ thousand

Item	2020 (audited number)	2019 (audited number)	Increase/ decrease	Increase/decrease Ratio
Total operating revenue	13,587,443	14,246,066	(658,623)	(4.62%)
Operating costs	13,901,570	13,675,272	226,298	1.65%
Gross operating profit (loss)	(314,127)	570,794	(884,921)	(155.03%)
Operating expenses	5,180,178	5,740,446	(560,268)	(9.76%)
Net operating profit (loss)	(5,494,305)	(5,169,652)	(324,653)	(6.28%)
Net profit (loss) before tax	(5,352,436)	(5,144,982)	(207,454)	(4.03%)
Net profit (loss) for the current period	(5,819,980)	(5,161,873)	(658,107)	(12.75%)

Explanation:

1. The decrease in total operating revenue and gross operating profit compared with the same period last year is mainly caused by the decrease in telecommunications revenue resulting from the decline in average revenue per user (ARPU), but the Company's continued expansion of new services such as ICT, IoT and intelligent products and other new services also brought new operating revenue. The increase in operating costs is mainly caused by the increase in the costs paid for the expansion of the new service revenue and the network equipment maintenance expenses.
2. The decrease in operating expenses compared with the same period last year is mainly achieved by cutting commissions and personnel expenses.

3. The increase in net loss after tax by NT\$660 million compared with the same period last year, in addition to the foregoing factors affecting the net profit before tax, is mainly due to the fact that the provision for corresponding income tax expense is made this year after evaluating the realizability of the loss carryforwards (income tax benefits/income tax assets) recognized in previous years.
4. After the completion of the capital increase in cash of NT\$10 billion by private placement of ordinary share in November 2019, the current ratio and quick ratio increased from 42.93% and 34.60% to 117.16% and 113.03% respectively, showing significant improvement in the Company's solvency; The debt ratio also decreased from 32.29% to 25.04%.

**Attachment V**

## **The Implementation of the Company's 2019 Private Issuance of Ordinary Shares for Capital Increase**

Item	First private issuance of ordinary shares in 2019 Issuing date: December 27, 2019
Type of securities in private issuance	Ordinary shares
Date and amount of approved by the Shareholders' Meeting	The Company's extraordinary shareholders meeting has adopted a resolution on October 2, 2019, to increase capital by issuing no more than 1,500,000,000 ordinary shares through private offering, which may be issued in one to three batches within a year.
Basis for and reasonableness of pricing	<p>I. Pursuant to the "Directions for Public Companies Conducting Private Placements of Securities", the Company shall use a reference price of the higher of the following two calculations: (A) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; and (B) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. The price for the private offering shall be no less than 80% of the reference price.</p> <p>II. Pursuant to the pricing principle stated in the preceding paragraph, the reference price of NT\$9.55 was set at the simple average closing price of the common shares on 3 business days before the price determination date on November 7, 2019, after adjustment for capital reduction. The private offering price was set at NT\$10.00, or 104.71% of the reference price, which complies with the resolution by the extraordinary Shareholders' Meeting.</p>
The method to determine specific investor(s)	Subject to Article 43-6 of the Securities and Exchange Act and the Ministry of Finance Securities & Futures Commission Letter No. (2002) Taiwan-Finance-Securities-(1)-0910003455 issued on June 13, 2002.
Reasons for the necessity of the private offering	The Company has been in deficit for two consecutive years. According to Article 270 of the Company Act and Article 4 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, no public offering or issuance of new shares is

	allowed, therefore the Company proposed to raise capital from specific individuals at the appropriate time through private offering for the purpose of injecting the required capital.				
Date of full payment of the consideration	November 21, 2019				
Placee profile	Target of private placement	Qualifications	Number of stock subscribed (thousand shares)	Relationship with the Company	Participation in the operations of the Company
	Hon Hai Precision Industry Co., Ltd.	Paragraph 2, Article 43-6 of the Securities and Exchange Act	700,000	Substantial shareholder with shareholding of more than 10%	None
	Hyield Venture Capital Co., Ltd.		300,000	The Corporate shareholder of the Company	None
Actual subscription price	NT\$10.00 per share.				
Price variance between actual subscription price and reference price	The actual subscription price was NT\$10.00 per share, which is 104.71% of the reference price of NT\$9.55.				
Impact on shareholders' equity for conducting private placement (such as an increase in accumulated loss)	The Securities and Exchange Act has a three-year transfer restriction on private securities placement, as well as restrictions on the qualification of placee(s). Therefore, the shareholders' equity is more protected.				
Use of capital raised through private placement and progress of the implementation plan	As at the end of the fourth quarter of 2020, NT\$4,299,365 thousand had been spent on repaying bank loans, purchasing machinery and equipment and paying 5G spectrum bidding fees. The remainder will be used to purchase machinery and equipment and pay expenses related to 5G development.				
Realization of benefits of the private placement	The capital increase has strengthened the Company's overall financial structure and the flexibility of capital adjustment, which is expected to create direct or indirect benefits to the Company's operations and bring positive benefits to shareholders' equity.				

**Attachment VI**

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

**Table of Comparison Before and After Amendment to the "Codes of Ethical Conduct"**

Articles After Amendment	Original Articles	Reasons for Amendments
<p>Article 1 (Purpose of and basis for adoption and evaluation procedure)</p> <p>In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Codes are adopted for the purpose of encouraging directors, managerial officers and other employees of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	<p>Article 1 (Purpose of and basis for adoption and evaluation procedure)</p> <p>In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Codes are adopted for the purpose of encouraging directors, supervisors, managerial officers and other employees of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	<p>※</p> <p>The Company has established an Audit Committee, thus the term of "supervisor" is deleted.</p>
<p>Article 2 (Applicable objects)</p> <p>The Company's personnel referred to in these Codes refers to directors, managers and other employees as regulated by the securities authorities.</p>	<p>Article 2 (Applicable objects)</p> <p>The Company's personnel referred to in these Codes refers to directors, supervisors, managers and other employees as regulated by the securities authorities.</p>	<p>※</p> <p>The Company has established an Audit Committee, thus the term of "supervisor" is deleted.</p>
<p>Article 4 (Prevention of conflicts of interest)</p> <p>The Company's personnel shall perform their duties in an objective and efficient manner and shall avoid taking advantage of their positions in the Company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship.</p> <p>Where the Company's</p>	<p>Article 4 (Prevention of conflicts of interest)</p> <p>The Company's personnel shall perform their duties in an objective and efficient manner and shall avoid taking advantage of their positions in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives</p>	<p>※</p> <p>With reference to Article 26-3 of the Securities and Exchange Act, the first paragraph of this Article is amended in respect of the criteria for identifying independence between directors, supervisors, or</p>

Articles After Amendment	Original Articles	Reasons for Amendments
relationship with the personnel referred to in the preceding paragraph involves loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works, the relevant personnel of the Company shall voluntarily explain whether there is any potential conflict between them and the Company, and shall act in accordance with the Codes of Ethical Conduct of the Company to prevent the conflict of interest.	within the third degree of kinship. Where the Company's relationship with the personnel referred to in the preceding paragraph involves loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works, the relevant personnel of the Company shall voluntarily explain whether there is any potential conflict between them and the Company, and shall act in accordance with the Codes of Ethical Conduct of the Company to prevent the conflict of interest.	supervisors and directors and the considerations that both parents and children are relatives within the second degree of kinship.
Article 10 (Encouraging reporting on illegal or unethical activities) The Company shall raise awareness of ethics internally and encourage employees to report to the Audit Committee, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. In order to encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous whistle-blowing, and make	Article 10 (Encouraging reporting on illegal or unethical activities) The Company shall raise awareness of ethics internally. Employees shall proactively report to supervisors, managerial officers, internal audit supervisors, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and provide sufficient information to enable the Company to properly handle subsequent matters. In order to encourage employees to report illegal	※ (1) The Company has established an Audit Committee, thus the term of "supervisor" is amended. (2) With reference to Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Company shall

Articles After Amendment	Original Articles	Reasons for Amendments
employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.	conduct, the Company will handle reporting cases in a confidential manner and will make its best efforts to protect the safety of informants.	adopt a concrete whistle-blowing system and allow anonymous whistle-blowing, thus this Article is amended.
<p>Article 12 (Procedures for exemption)</p> <p>If any of the Company's personnel is exempt from compliance with the provisions of this Codes, it shall be submitted to the Board of Directors for adoption by resolution, and the date on which the Board adopted the exemption, the independent directors' dissenting opinion or qualified opinion, the period during which the exemption applies, the reason for the exemption, as well as the criteria under which the exemption is applied shall be disclosed on the MOPS immediately.</p>	<p>Article 12 (Procedures for exemption)</p> <p>If any of the Company's personnel is exempt from compliance with the provisions of these Codes, it shall be submitted to the Board of Directors for adoption by resolution before doing so.</p> <p><u>Under the foregoing circumstance, the name of the person who is allowed to be exempted, the date on which the Board adopted the exemption, the period during which the exemption applies, the reason for the exemption, as well as the criteria under which the exemption is applied shall be disclosed on the MOPS immediately.</u></p>	<p>※</p> <p>This Article is amended in line with the implementation of the Personal Data Protection Act, with reference to Article 14-3 of the Securities and Exchange Act and with the consideration of the fact that the Company has completed the establishment of independent directors.</p>
<p>Article 13 (Method of Disclosure)</p> <p>The Company shall disclose the Codes of Ethical Conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.</p>	<p>Article 13 (Method of Disclosure)</p> <p>The Company shall disclose the Codes of Ethical Conduct it has adopted, and any amendments to it, in its annual reports and prospectuses and on the MOPS.</p>	<p>※</p> <p>In line with Article 4 Method of disclosure of the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies", it is added and disclosed</p>

Articles After Amendment	Original Articles	Reasons for Amendments
		on the Company website.
Article 14 (Enforcement) These Codes, and any amendments to it, shall enter into force after it has been adopted by the audit committee and the Board of Directors, and submitted to a shareholders meeting.	Article 14 (Enforcement) These Codes, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, delivered to each supervisor, and submitted to a shareholders meeting.	※ The Company has established an Audit Committee and therefore amends this Article as appropriate.

## Asia Pacific Telecom Co., Ltd.

**Table of Comparison Before and After Amendment to the  
"Articles of Association"**

Articles After Amendment	Original Articles	Reasons for Amendments
<p>Article 2: The scope of the Company's business activities includes:</p> <ol style="list-style-type: none"> <li>1. G901011 Type I Telecommunications.</li> <li>2. G902011 Type II Telecommunications.</li> <li>3. CC01060 Wired Communication Equipment and Apparatus Manufacturing.</li> <li>4. CC01070 Wireless Communication Machinery and Equipment Manufacturing.</li> <li>5. CC01080 Manufacture of Electronic Parts and Components.</li> <li>6. CC01110 Manufacture of Computers and Peripheral Equipment.</li> <li>7. CC01120 Manufacture and Reproduction of Magnetic and Optical Media.</li> <li>8. CD01020 Manufacture of Railway Vehicles and Parts.</li> <li>9. E601010 Assembly of Electric Appliance.</li> <li>10. E603050 Automatic Control Equipment Engineering</li> <li>11. E603080 Traffic Signals Installation Engineering.</li> <li>12. E603090 Lighting</li> </ol>	<p>Article 2: The scope of the Company's business activities includes:</p> <ol style="list-style-type: none"> <li>1. G901011 Type I Telecommunications.</li> <li>2. G902011 Type II Telecommunications.</li> <li>3. CC01060 Wired Communication Equipment and Apparatus Manufacturing.</li> <li>4. CC01070 Wireless Communication Machinery and Equipment Manufacturing.</li> <li>5. CC01080 Manufacture of Electronic Parts and Components.</li> <li>6. CC01110 Manufacture of Computers and Peripheral Equipment.</li> <li>7. CC01120 Manufacture and Reproduction of Magnetic and Optical Media.</li> <li>8. CD01020 Manufacture of Railway Vehicles and Parts.</li> <li>9. E601010 Assembly of Electric Appliance.</li> <li>10. E603050 Automatic Control Equipment Engineering</li> <li>11. E603080 Traffic Signals Installation Engineering.</li> <li>12. E603090 Lighting</li> </ol>	<p>※</p> <p>(1) In line with the Telecommunications Management Act came into force on July 1, 2020, the Company completed the registration and transfer operation of telecommunications, and added the business item "G903010 Telecommunications" according to law.</p> <p>(2) Adjust the serial number of business scope</p>

Articles After Amendment	Original Articles	Reasons for Amendments
Equipment Installation Engineering. 13. E701010 Telecommunications Engineering. 14. E701020 Equipment Installation Industry of Satellite TV KU Channel and C Channel. Construction. 15. E701030 Installation Engineering of Telecommunications Controls Radio Frequency Equipment. 16. EZ06010 Traffic Signing Engineering. 17. F108031 Wholesale of Medical Instruments. 18. F113010 Wholesale of Machinery. 19. F113020 Wholesale of electrical Appliances. 20. F113030 Wholesale of Precise Instrument. 21. F113070 Wholesale of Telecommunication Equipment. 22. F113110 Wholesale of Batteries. 23. F114080 Wholesale of Railway Vehicles and Parts. 24. F118010 Wholesale of Information Software. 25. F119010 Wholesale of Electronic Materials. 26. F108031 Retail of Medical Instruments.	Equipment Installation Engineering. 13. E701010 Telecommunications Engineering. 14. E701020 Equipment Installation Industry of Satellite TV KU Channel and C Channel Construction 15. E701030 Installation Engineering of Telecommunications Controls Radio Frequency Equipment. 16. EZ06010 Traffic Signing Engineering. 17. F108031 Wholesale of Medical Instruments. 18. F113010 Wholesale of Machinery. 19. F113020 Wholesale of electrical Appliances. 20. F113030 Wholesale of Precise Instrument. 21. F113070 Wholesale of Telecommunication Equipment. 22. F113110 Wholesale of Batteries. 23. F114080 Wholesale of Railway Vehicles and Parts. 24. F118010 Wholesale of Information Software. 25. F119010 Wholesale of Electronic Materials. 26. F108031 Retail of Medical Instruments.	

Articles After Amendment	Original Articles	Reasons for Amendments
27. F213010 Retail of Electrical Appliances.	27. F213010 Retail of Electrical Appliances.	
28. F213040 Retail of Precise Instrument.	28. F213040 Retail of Precise Instrument.	
29. F213060 Retail of Telecommunication Equipment.	29. F213060 Retail of Telecommunication Equipment.	
30. F214080 Retail of Railway Vehicles and Parts.	30. F214080 Retail of Railway Vehicles and Parts.	
31. F214990 Retail of Other Means of Transportation and Parts	31. F214990 Retail of Other Means of Transportation and Parts	
32. F218010 Retail of Information Software.	32. F218010 Retail of Information Software.	
33. F219010 Retail of Electronic Materials.	33. F219010 Retail of Electronic Materials.	
34. F401010 International Trade.	34. F401010 International Trade.	
35. F401021 Import Business of Telecommunications Controls Radio Frequency Equipment.	35. F401021 Import Business of Telecommunications Controls Radio Frequency Equipment.	
36. F401181 Import Business of Measuring Instrument.	36. F401181 Import Business of Measuring Instrument.	
37. <u>G903010 Telecommunications.</u>		
38. H701040 Specialized Area Development.	37. H701040 Specialized Area Development.	
39. I103060 Management Consulting Services.	38. I103060 Management Consulting Services.	
40. I301040 Third-Party Payment Services.	39. I301040 Third-Party Payment Services.	
41. IG03010 Energy Technology Services.	40. IG03010 Energy Technology Services.	
42. I301010 Information Software Services.	41. I301010 Information Software Services.	
43. I301020 Data Processing Services.	42. I301020 Data Processing Services.	

Articles After Amendment	Original Articles	Reasons for Amendments
<p>44. I301030 Electronic Information Supply Services.</p> <p>45. IE01010 Telecommunications Number Agencies.</p> <p>46. IZ99990 Other Industrial and Commercial Services.</p> <p>47. J101050 Environment Technical Testing.</p> <p>48. JE01010 Rental and Leasing Activities.</p> <p>49. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>43. I301030 Electronic Information Supply Services.</p> <p>44. IE01010 Telecommunications Number Agencies.</p> <p>45. IZ99990 Other Industrial and Commercial Services.</p> <p>46. J101050 Environment Technical Testing.</p> <p>47. JE01010 Rental and Leasing Activities.</p> <p>48. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Chapter IV Board of Directors</p> <p>Article 15:</p> <p>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.</p> <p>The Company shall obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.</p> <p>The Board of Directors shall establish an Audit Committee, Remuneration Committee, and</p>	<p>Chapter IV Board of Directors</p> <p>Article 15:</p> <p>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.</p> <p>The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.</p> <p>The Board of Directors may establish an Audit Committee, Remuneration Committee, as</p>	<p>※</p> <p>With reference to Article 4 of the "XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors" and Article 14-4, 14-6 of the "Securities and Exchange Act", Paragraph 2 and paragraph 3 of this Article are amended accordingly.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
may set up relevant functional committees to provide reference for the decision-making of the Board of Directors.	well as relevant functional committees to provide reference for the decision-making of the Board of Directors.	
<p>Article 31: The Articles of Association was established on May 3, 2000.</p> <p>The 1st amendment was made on May 14, 2001;</p> <p>The 2nd amendment was made on June 24, 2002;</p> <p>The 3rd amendment was made on June 25, 2004;</p> <p>The 4th amendment was made on October 26, 2007;</p> <p>The 5th amendment was made on June 23, 2010;</p> <p>The 6th amendment was made on June 24, 2011;</p> <p>The 7th amendment was made on June 20, 2012;</p> <p>The 8th amendment was made on June 20, 2014;</p> <p>The 9th amendment was made on June 25, 2015;</p> <p>The 10th amendment was made on June 22, 2016;</p> <p>The 11th amendment was made on June 20, 2018;</p> <p>The 12th amendment was made on June 19, 2019;</p> <p>The 13th amendment was made on June 17, 2020;</p> <p><u>The 14th amendment is to be made on June 23, 2021,</u> which shall come into force upon the adoption of a</p>	<p>Article 31: The Articles of Association was established on May 3, 2000.</p> <p>The 1st amendment was made on May 14, 2001;</p> <p>The 2nd amendment was made on June 24, 2002;</p> <p>The 3rd amendment was made on June 25, 2004;</p> <p>The 4th amendment was made on October 26, 2007;</p> <p>The 5th amendment was made on June 23, 2010;</p> <p>The 6th amendment was made on June 24, 2011;</p> <p>The 7th amendment was made on June 20, 2012;</p> <p>The 8th amendment was made on June 20, 2014;</p> <p>The 9th amendment was made on June 25, 2015;</p> <p>The 10th amendment was made on June 22, 2016;</p> <p>The 11th amendment was made on June 20, 2018;</p> <p>The 12th amendment was made on June 19, 2019;</p> <p>The 13th amendment was made on June 17, 2020;</p> <p>which shall come into force upon the adoption of a resolution of the general shareholders' meeting.</p>	<p>※</p> <p>Added the date and number of the current amendment.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
resolution of the general shareholders' meeting.		

**Attachment VIII**

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

**Table of Comparison Before and After Amendment to the  
"Rules of Procedure for Shareholder Meetings"**

Articles After Amendment	Original Articles	Reasons for Amendments
<p>Article 2</p> <p>Unless otherwise provided by the law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.</p> <p>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</p>	<p>Article 2</p> <p>Unless otherwise provided by the law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.</p> <p>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 before 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</p>	<p>※</p> <p>(1) In line with Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced by the TWSE-Governance-Announcement No. 1090009468 dated June 3, 2020 and TWSE-Governance-Announcement No. 1100001446 dated January 28, 2021 from Taiwan Stock Exchange Corporation (TWSE), Paragraph 4 and Paragraph 6 in this Article are amended accordingly.</p> <p>(2) In order to avoid misinterpretation of the matters referred to in paragraph 1 of article 185 of the</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>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.</p> <p>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 Paragraph1 of Article 185, <u>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</u> shall be listed and explained in the reasons for</p>	<p>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.</p> <p>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 Paragraph1 of Article 185, 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</p>	<p>Company Act that a extraordinary motion may be made for all matters, it is proposed to incorporate other provisions of regulations other than the Company Act that prohibits proposal by means of extraordinary motion, and Paragraph 4 of this Article is amended accordingly.</p> <p>(3) In line with the amendment to Paragraph 5 of Article 172-1 of the Company Act and the Letter No. MOEA-10700105410, Paragraph 6 of this Article is amended accordingly.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>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.</p> <p>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.</p> <p>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. <u>Only one matter</u></p>	<p>shall be stated in the notice.</p> <p>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.</p> <p>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. <u>However, a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the Board of Directors.</u> If a proposal submitted by a shareholder falls into the circumstances as specified in</p>	

Articles After Amendment	Original Articles	Reasons for Amendments
<p><u>shall be allowed in each proposal pursuant to Article 172-1 of the Company Act.</u>  <u>Where a proposal contains more than one matter, such proposal would not be included in the agenda.</u></p> <p>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.</p> <p>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.</p> <p>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</p>	<p>Paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall not include such proposal in the agenda.</p> <p>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.</p> <p>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.</p> <p>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</p>	

Articles After Amendment	Original Articles	Reasons for Amendments
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.	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.	
<p>Article 6</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, 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.</p> <p>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.</p> <p>When there are two or more conveners, the chairman shall be elected 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.</p>	<p>Article 6</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the <u>managing</u> directors to act as chair. Where the chairman does not make such a designation, the <u>managing</u> directors shall select from among themselves one person to serve as chair.</p> <p>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.</p> <p>When there are two or more conveners, the chairman shall be elected 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.</p>	<p>※</p> <p>Since the 8th Board of Directors, the Company no longer has a managing director, and the relevant provisions cease to be applicable. Therefore, the text is amended as appropriate.</p>
<p>Article 8</p> <p>Attendance at shareholders meetings shall be calculated</p>	<p>Article 8</p> <p>Attendance at shareholders meetings shall be calculated</p>	<p>※</p> <p>In order to enhance corporate governance</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>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.</p> <p>The chairman shall call the meeting to order at the appointed meeting time <u>together with such information as the number of non-voting rights and the number of shares present.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements, 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</p>	<p>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.</p> <p>The chairman shall call the meeting to order at the appointed meeting time.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements, 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</p>	<p>and protect shareholders' equity, Paragraph 2 of this Article is amended accordingly.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 13</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, <u>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.</u></p> <p>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.</p>	<p>Article 13</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately.</p> <p>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.</p>	<p>※</p> <p>In order to enhance corporate governance and protect shareholders' equity, Paragraph 1 of this Article is amended accordingly.</p>

**Attachment IX**

**Asia Pacific Telecom Co., Ltd.  
Table of Comparison Before and After Amendment to the  
"Election Procedures of Directors"**

Articles After Amendment	Original Articles	Reasons for Amendments
<p>Article 2</p> <p>The directors of the Company shall be appointed by the board of shareholders by competent candidates in accordance with the Company Act.</p> <p>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", <u>and shall be handled in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies of Taiwan."</u></p> <p>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.</p>	<p>Article 2</p> <p>The directors of the Company shall be appointed by the board of shareholders by competent candidates in accordance with the Company Act.</p> <p>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".</p> <p>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.</p>	<p>※</p> <p>In line with Article 4 of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange on June 3, 2020, Paragraph 2 of this Article is amended accordingly.</p>
<p>Article 3</p> <p>The number of directors and independent directors of the Company shall be</p>	<p>Article 3</p> <p>The number of directors and independent directors of the Company shall be</p>	<p>※</p> <p>(1) In line with Article 8 of the "Sample Template for XXX Co., Ltd. Procedures for</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>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. <u>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.</u></p> <p>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.</p> <p><u>If the dismissal of a director results in a board with less than five directors, the Company</u></p>	<p>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.</p> <p>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.</p>	<p>Election of Directors" issued by Taiwan Stock Exchange on June 3, 2020, Paragraph 1 of this Article is amended accordingly.</p> <p>(2) In line with Article 5 of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange on June 3, 2020, Paragraph 3 of this Article is added accordingly.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p><u>shall hold a supplemental election at the next shareholders meeting.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p>In the election of directors of the Company, shareholders may choose to exercise their right to vote either by electronic or on-site voting.</p> <p>The number of voting rights referred to in the preceding paragraph shall</p>	<p>In the election of directors of the Company, shareholders may choose to exercise their right to vote either by electronic or on-site voting.</p> <p>The number of voting rights referred to in the preceding paragraph shall</p>	

Articles After Amendment	Original Articles	Reasons for Amendments
be calculated according to the number of voting rights cast at the shareholders' meeting plus the number of voting rights cast by electronic voting.	be calculated according to the number of voting rights cast at the shareholders' meeting plus the number of voting rights cast by electronic voting.	
<p>Article 4</p> <p><u>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.</u></p>	<p>Article 4</p> <p>At the time of election, the chairman shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.</p>	<p>※</p> <p>In line with Article 9 of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange on June 3, 2020, this Article is amended accordingly.</p>
<p>Article 5</p> <p>The ballots for on-site voting at the shareholders' meeting shall be prepared by <u>the convener</u>, numbered according to the number of the attendance card, and the number of voting rights associated with each ballot shall be specified on the ballots.</p> <p>Shareholders who exercise their right to vote by means of electronic voting shall do so 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</p>	<p>Article 5</p> <p>The ballots for on-site voting at the shareholders' meeting shall be prepared by <u>the Board of Directors</u>, numbered according to the number of the attendance card, and the number of voting rights associated with each ballot shall be specified on the ballots.</p> <p>Shareholders who exercise their right to vote by means of electronic voting shall do so 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</p>	<p>※</p> <p>Pursuant to regulations in Article 173 of the Company Act, shareholders may, under certain circumstances (if the Board of Directors does not give notice of convening), with the permission of the competent authority, convene the meeting on their own. It is proposed to adjust the words in Paragraph 1 of this Article.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
the meeting date of the Shareholders' Meeting.	the meeting date of the Shareholders' Meeting.	
<p>Article 6</p> <p>The voters shall fill in in the "candidate" column on the ballot such candidate's name and <u>account name</u>.</p> <p>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.</p>	<p>Article 6</p> <p>The voters must enter the candidate's name <u>and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number</u>.</p> <p>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.</p>	<p>※</p> <p>In line with the Financial Supervisory Commission Order No. Financial-Supervisory-Trading-108311451 issued on April 25 by FSC, a TWSE/TPEX listed company shall adopt a candidates nomination system for election of the directors and supervisors since 2021, and the shareholders shall elect the directors and supervisors from among the nominees listed in the roster of director and supervisors candidates. Prior to the shareholders' meeting, shareholders may familiarize with the names, education background and other relevant information of the candidates via the roster. It is not necessary to use the shareholder account number or the identity card number to identify the candidate.</p>
<p>Article 7</p> <p>A ballot is invalid under any of the following circumstances:</p> <p>(1) <u>The ballot was not prepared by a person with the right to convene.</u></p>	<p>Article 7</p> <p>A ballot is invalid under any of the following circumstances:</p> <p>(1) Where the voter does not use the election ballot issued by the Board of Directors of</p>	<p>※</p> <p>(1) In accordance with Article 173 of the Company Act, shareholders may, under certain circumstances (if the Board of Directors does not give notice of convening), with the</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>(2) <u>A blank ballot is placed in the ballot box.</u></p> <p>(3) <u>The writing is unclear and indecipherable or has been altered.</u></p> <p>(4) <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u></p>	<p>the Company.</p> <p>(2) <u>Where the quota of candidates submitted exceeds the quota of candidates to be elected.</u></p> <p>(3) <u>Other words, figures and symbols are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u></p> <p>(4) <u>The ballot has not been put into the ballot cabinets (boxes).</u></p> <p>(5) <u>A blank ballot not filled in by the candidates.</u></p> <p>(6) <u>The writing is unclear and indecipherable or has been altered without affixed the original seal or the ballot is damaged.</u></p> <p>(7) <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is</u></p>	<p>permission of the competent authority, convene the meeting on their own. It is proposed to adjust Paragraph 1 of this Article.</p> <p>(2) In line with the Financial Supervisory Commission Order No. Financial-Supervisory-Trading-108311451 issued on April 25 by FSC, a TWSE/TPEX listed company shall adopt a candidates nomination system for election of the directors and supervisors since 2021, and the shareholders shall elect the directors and supervisors from among the nominees listed in the roster of director and supervisors candidates. Prior to the shareholders' meeting, shareholders may familiarize with the names, education background and other relevant information of the candidates via the roster. The text of this Article and the number of article is adjusted accordingly.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p><u>(5) Other words or marks are entered in addition to the number of voting rights allotted.</u></p> <p><u>(6) Names of two or more candidates are entered in the same ballot.</u></p>	<p><u>entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u></p> <p><u>(8) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p> <p><u>(9) The total number of voting rights cast by a voter exceeds the total number of voting rights it held.</u></p>	
<p>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. <u>The ballots for the election referred to in the preceding paragraph shall be sealed</u></p>	<p>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 list of persons elected as directors, shall be announced by the chairman on the site.</p>	<p>※</p> <p>(1) In line with Article 14 of the TWSE-Governance-Announcement No. 1100001446 dated January 28, 2021 from Taiwan Stock Exchange Corporation (TWSE), Paragraph 1 of this Article is amended accordingly.</p> <p>(2) In line with Article 11 of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" issued by Taiwan Stock Exchange on June 3, 2020, Paragraph 2 of this Article is amended</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<u>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.</u>		accordingly.

**Attachment X**

**List of Directors for the 9th Board of Directors**

Candidates	1	2	3
Category	Director	Director	Director
Name	Fang-Ming, Lu	Nan-Ren, Huang	Wen-Lin Kung
Shareholding	708,730	708,730	708,730
Education	<ul style="list-style-type: none"> <li>●Master's Degree of Institute of Applied Physics, Chung-Yuan Christian University</li> </ul>	<ul style="list-style-type: none"> <li>●Graduate Institute of Electrical Engineering, University of Tennessee, USA</li> </ul>	<ul style="list-style-type: none"> <li>●University of Pittsburgh, MBA</li> <li>●National Chiao Tung University, Bachelor of Management Science</li> </ul>
Experience	<ul style="list-style-type: none"> <li>●General Manager of Asia-Pacific Region, Lingyun Science and Technology Co., Ltd.</li> <li>●General Manager of Computer System Products of HP, Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>●Chairman, Linkooh Co., Ltd</li> <li>●General Manager, AMBIT Microsystems Corporation</li> <li>●Vice President, Taiwan Mobile Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Director, Hon Hai Precision Ind. Co., Ltd.</li> </ul>
Present position	<ul style="list-style-type: none"> <li>●Chairman of Asia Pacific Telecom Co., Ltd</li> <li>●Director, Hon Hai Precision Ind. Co., Ltd.</li> <li>●Vice Chairman APTT Management Pte. Limited</li> </ul>	<ul style="list-style-type: none"> <li>●General Manager of Asia Pacific Telecom Co., Ltd</li> <li>●Director, AURORA Telecom Co., Ltd.</li> <li>●Chairman, Foxconn Global Network Corporation</li> <li>●Chairman, Howin Technologies Corp.</li> <li>●Supervisor, Alliance Digital Technology Co., Ltd.</li> <li>●Director, Taiwan Internet Association</li> <li>●Director, Taiwan Network Information Center</li> </ul>	<ul style="list-style-type: none"> <li>●Director, Hon Hai Precision Ind. Co., Ltd.</li> <li>●Director, Ambit International Limited</li> <li>●Director, Ambit Microsystems (Cayman) Limited</li> <li>●Director, Cybernet Venture Capital Corporation</li> <li>●Director, Hampden Investments Limited</li> <li>●Director, Joy Even Holdings Limited</li> <li>●Director, Rich Pacific Holdings Limited</li> <li>●Director, Robot Holding Co., Limited</li> <li>●Director, Star Vision Precision Limited</li> <li>●Director, Star Vision Technology Limited</li> <li>●Director, Shenzhen Fu Long Inclusive Finance Co., Ltd</li> <li>●Supervisor, Ingrasys Technology Inc</li> <li>●Supervisor, Farobot Inc</li> <li>●Supervisor, Syntrend Lifestyle Co., LTD.</li> </ul>
Representative of company	Baoxin International Investment Co., Ltd.	Baoxin International Investment Co., Ltd.	Baoxin International Investment Co., Ltd.

Candidates	4	5	6
Category	Director	Director	Director
Name	Jhe-Hong ,You	Lai-Shun, Chu	Tung-Chun, Tsao
Shareholding	708,730	261,829,777	261,829,777
Education	<ul style="list-style-type: none"> <li>●Master of Law, American University</li> </ul>	<ul style="list-style-type: none"> <li>●PhD, Department of Transportation Technology and Management, Jiaotong University</li> </ul>	<ul style="list-style-type: none"> <li>●The Department of Finance and Taxation ,National Chengchi University</li> </ul>
Experience	<ul style="list-style-type: none"> <li>●Supervisor, FOXCONN Technology Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Deputy Director General of Taiwan Railways Administration, MOTC</li> </ul>	<ul style="list-style-type: none"> <li>●Director of the accounting office,Taiwan Area National Expressway Engineering Bureau, MOTC</li> </ul>
Present position	<ul style="list-style-type: none"> <li>●Director of Financial Investment Legal Business Division, Hon Hai Precision Ind. Co., Ltd.</li> <li>●Director, Zhen Ding Technology Holding Limited</li> <li>●Director, Avary Holding (Shenzhen) Co., LTD</li> <li>●Director, ShunSin Technology Holdings Limited</li> </ul>	<ul style="list-style-type: none"> <li>●Deputy Director General of Taiwan Railways Administration, MOTC</li> </ul>	<ul style="list-style-type: none"> <li>●Director of the accounting office,Taiwan Railways Administration, MOTC</li> </ul>
Representative of company	Baoxin International Investment Co., Ltd.	Taiwan Railways Administration MOTC	Taiwan Railways Administration MOTC

Candidates	7	8	9
Category	Director	Director	Independent Director
Name	Chung-Cheng, Tseng	Min-Shiang, Lin	Yi-Wen, Chen
Shareholding	8,215,177	89,087,877	-
Education	<ul style="list-style-type: none"> <li>●MBA, Washington University in St. Louis, USA</li> </ul>	<ul style="list-style-type: none"> <li>●Kaohsiung High commercial business Branch</li> <li>●Qualification of the financial administrative personnel of the Examination</li> </ul>	<ul style="list-style-type: none"> <li>●Electrical Engineering ,Ming Chi Institute of Technology</li> </ul>
Experience	<ul style="list-style-type: none"> <li>●Assistant Vice President, Central Investment Holding Co., Ltd.</li> <li>●Assistant Vice President, Kuang-Hwa Investment Holding Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Director/Deputy General Manager, Hua Eng Wire &amp; Cable Co., Ltd</li> </ul>	<ul style="list-style-type: none"> <li>●Founder Ivan Information Company ( Chairman/General manager)</li> </ul>
Present position	<ul style="list-style-type: none"> <li>●Chairman of Yu Sheng Investment Co., Ltd.</li> <li>●Director, China Investment and Development Co.,Ltd .</li> <li>●Assistant Vice President, Central Investment Holding Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Director/Deputy General Manager, Hua Eng Wire &amp; Cable Co., Ltd</li> <li>●Director, First Copper Technology Co., Ltd.</li> <li>● Director, China Ecotex Co., Ltd.</li> <li>●Director, Wafer Works Co., Ltd.</li> <li>●Director, Co-Tech Development Co., Ltd.</li> <li>●Director, Bionime Co., Ltd.</li> <li>●Director,Savior Lifetec Corporation</li> <li>●Director, Pixon Technologies Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>●Independent Director, Taiwan IC Packaging Corporation ,Inc</li> </ul>
Representative of company	Yu Sheng Investment Co., Ltd.	Hua Eng Wire & Cable Co., Ltd	None

Candidates	10	11
Category	Independent Director	Independent Director
Name	Shi-Nine, Yang	Li-June, Chen
Shareholding	-	-
Education	<ul style="list-style-type: none"> <li>●National Taiwan Normal University( Bachelor )</li> <li>●State University of New York At Buffalo, USA ( Ph.D )</li> </ul>	<ul style="list-style-type: none"> <li>●International Trade Division, Department of Commerce, National Taiwan University</li> </ul>
Experience	<ul style="list-style-type: none"> <li>●Chairman/ Professor, Department of Computer Science, National Tsing Hua University</li> <li>●Chairman of Gao-Rong Charity Association, Taoyuan city, Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>●Manager of Finance &amp; Operations CFO,IBM Taiwan Corporation</li> <li>●Independent Director,D-LINK Corporation</li> </ul>
Present position	-	<ul style="list-style-type: none"> <li>●Director, GREENVINES BIOTECH CO., LTD</li> <li>●Director, B Current Impact Investment</li> </ul>
Representative of company	None	None

Attachment XI

**Contents for the release of non-competition restrictions on the candidates of the Company's 9th Board of Directors (including independent director)**

Director Candidates	Company	Position
Baoxin International Investment Co., Ltd. Representative: Fang-Ming Lu	Hon Hai Precision Ind. Co., Ltd.	Director
	APTT Management Pte. Limited	Vice Chairman
Baoxin International Investment Co., Ltd. Representative: Nan-Ren, Huang	Asia Pacific Telecom Co., Ltd	General Manager
	AURORA Telecom Co., Ltd	Director
	Foxconn Global Network Corporation	Chairman
	Howin Technologies Corp	Chairman
	Taiwan Internet Association	Director
	Taiwan Network Information Center	Director
Baoxin International Investment Co., Ltd. Representative: Wen-Lin Kung	Hon Hai Precision Ind. Co., Ltd	Director
	Ambit International Limited	Director
	Ambit Microsystems (Cayman) Limited	Director
	Cybernet Venture Capital Corporation	Director
	Hampden Investments Limited	Director
	Joy Even Holdings Limited	Director
	Rich Pacific Holdings Limited	Director
	Robot Holding Co., Limited	Director
	Star Vision Precision Limited	Director
	Star Vision Technology Limited	Director,
	Shenzhen Fu Long Inclusive Finance Co., Ltd	Director
Baoxin International Investment Co., Ltd. Representative:	Hon Hai Precision Ind. Co., Ltd	Director of Financial Investment Legal Business Division

Director Candidates	Company	Position
Jhe-Hong ,You	Zhen Ding Technology Holding Limited	Director
	Avary Holding (Shenzhen) Co., LTD	Director
	ShunSin Technology Holdings Limited	Director
Taiwan Railways Administration MOTC Representative: Lai-Shun, Chu	Taiwan Railways Administration ,MOTC	Deputy Director General
Taiwan Railways Administration MOTC Representative: Tung-Chun, Tsao	Taiwan Railways Administration ,MOTC	Director of the accounting office
Yu Sheng Investment Co., Ltd Representative: Chung-Cheng, Tseng	Yu Sheng Investment Co., Ltd.	Chairman
	China Investment and Development Co.,Ltd	Director
	Central Investment Holding Co., Ltd	Assistant Vice President
Hua Eng Wire & Cable Co., Ltd Representative: Min-Shiang, Lin	Hua Eng Wire & Cable Co., Ltd	Director/Deputy General Manager
	First Copper Technology Co., Ltd.	Director
	China Ecotex Co., Ltd.	Director
	Wafer Works Co., Ltd.	Director
	Co-Tech Development Co., Ltd.	Director
	Bionime Co., Ltd.	Director
	Savior Lifetec Corporation	Director
	Pixon Technologies Co., Ltd.	Director
Independent Director Candidates	Company	Position
Yi-Wen, Chen	Taiwan IC Packaging Corporation ,Inc	Independent Director
Li-June, Chen	GREENVINES BIOTECH CO., LTD	Director,
	B Current Impact Investment	Director

# Appendices

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- II. Rules of Procedure for Shareholders' Meeting/ Page 93-99
- III. Procedures for Election of Directors/ Page 100-101
- IV. Codes of Ethical Conduct / Page 102-104
- V. Shareholding Status from All Directors/ Page 105

## Appendix I

# Articles of Association of Asia Pacific Telecom Co., Ltd. (before Amendment)

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

## 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. H701040 Specific Area Development
38. I103060 Management Consulting Services.
39. I301040 The third-party payment.
40. IG03010 Energy Technical Services.
41. I301010 Software Design Services.
42. I301020 Data Processing Services.
43. I301030 Digital Information Supply Services.
44. IE01010 Telecommunications Number Agencies.
45. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified.
46. J101050 Environmental Testing Services
47. JE01010 Rental and Leasing Business.
48. 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.

Article 7: 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. 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 persons with legal capacity and shall be elected by the shareholders at the Shareholders' Meeting. The tenure of the offices of the Directors shall be three years and may be re-elected. The election of Directors is adopted by candidate nomination system per Article 192-1 of the Company Act.

The Company may purchase liability insurance for Directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

The Board of Directors may establish an Audit Committee, Remuneration Committee, and relevant functional committees as the basis of reference during the Board's decision-making.

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 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 Articles will be enforced upon approval from the Shareholders' Meeting.

**Asia Pacific Telecom Co., Ltd.**  
**Rules of Procedure for Shareholders' Meetings**  
**(before Amendment)**

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.

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 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 or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a General 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 before 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 the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, Paragraph 1 of the Company Act, shall be itemized in the causes or subjects to be described and the essential contents be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at an annual general 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. But a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before an annual general shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general shareholders' meeting and take part in the 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 Managing Directors to act as chair. Where the Chairman does not make such a designation, the Managing 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 chair shall call the meeting to order at the appointed meeting time. 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.

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.

### Appendix III

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

**(before Amendment)**

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

- 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: Pursuant to applicable regulations in the Company Act, the Company's directors shall be persons with legal capacity and shall be elected by the Shareholders' Meeting.  
The qualifications of independent directors of the Company shall be governed by the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Offering Companies.  
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 will be as specified in the Company's Articles of Association, with voting rights separately calculated for independent and non-independent director positions. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the directors of the Board are elected, shareholders may choose to exercise their right to vote by means of electronic or on-site voting.  
The voting rights in the preceding paragraph refers to the voting rights counted at the venue of the Shareholders' Meeting and any voting rights exercised by means of electronic voting.
- Article 4: At the end of the poll the voting rights will be calculated on site by the vote monitoring and counting personnel designated by the chair of the meeting.
- Article 5: The ballots for on-site voting shall be prepared by the Board of Directors, 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 voter shall fill in the followings in the box of "the person to be elected" in ballot: (1) The name of the person to elected. (2) The shareholder account

number; if the person to be elected is not a shareholder of the Company, name and ID number of the person to be elected shall be filled in. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name on the ballot, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.

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

- (1) The ballot was not prepared by the Board of Directors.
- (2) The number of candidates exceeds the mandatory number of seats for election.
- (3) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- (4) A ballot that was not placed in the ballot box.
- (5) A blank ballot is placed in the ballot box.
- (6) The writing is unclear and indecipherable or has been altered, or the same seal as the one on the voter's records was not used.
- (7) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
- (8) An elector whose name is the same as that of any other shareholder and whose shareholder's account number or identification document number is not entered for identification.
- (9) The cumulative voting rights cast by the voter exceeds the voter's cumulative voting rights.

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 list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

### **Asia Pacific Telecom Co., Ltd. Codes of Ethical Conduct (before amendment)**

Enacted at the 3rd board meeting of the 6th Board of Directors on March 8, 2013

#### Article 1 (Purpose of and basis for adoption)

In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Codes are adopted for the purpose of encouraging directors, supervisors, managerial officers and other employees of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

#### Article 2 (Applicable objects)

The Company's personnel referred to in these Codes refers to directors, supervisors, managers and other employees as regulated by the securities authorities.

#### Article 3 (Principles of ethical corporate management)

The Company's personnel shall abide by the code of ethical conduct and uphold the principle of ethical corporate management in business operations.

#### Article 4 (Prevention of conflicts of interest)

The Company's personnel shall perform their duties in an objective and efficient manner and shall avoid taking advantage of their positions in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the third degree of kinship.

Where the Company's relationship with the personnel referred to in the preceding paragraph involves loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works, the relevant personnel of the Company shall voluntarily explain whether there is any potential conflict between them and the Company, and shall act in accordance with the Codes of Ethical Conduct of the Company to prevent the conflict of interest.

#### Article 5 (Minimizing incentives to pursue personal gain)

When the Company has an opportunity for profit, it is the responsibility of the Company's personnel to maximize the reasonable and proper benefits that can be obtained by the Company and to avoid to engage in any of the following activities:

- (1) Seeking an opportunity to pursue personal gain or obtaining personal gain by using company property or information or taking advantage of their positions.
- (2) Competing with the Company.

- (3) Any act prohibited by the Codes of Ethical Conduct or other relevant regulations of the Company.

#### Article 6 (Confidentiality)

The Company's personnel shall be bound by the obligation to maintain the confidentiality of the technical and non-technical information of the Company, or any information regarding the Company's suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or customers.

The Company's personnel shall also comply with the provisions of the "Confidentiality Agreement" and other relevant confidentiality Contracts signed with the Company.

#### Article 7 (Fair trade)

The Company's personnel shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

#### Article 8 (Safeguarding and proper use of company assets)

The Company's personnel shall have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes, so as to prevent them from any theft, negligence in care, or waste of the assets, which will all directly impact the Company's profitability.

#### Article 9 (Legal compliance)

The Company's personnel shall comply with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

#### Article 10 (Encouraging reporting on illegal or unethical activities)

The Company shall raise awareness of ethics internally. Employees shall proactively report to supervisors, managerial officers, internal audit supervisors, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and provide sufficient information to enable the Company to properly handle subsequent matters.

In order to encourage employees to report illegal conduct, the Company will handle reporting cases in a confidential manner and will make its best efforts to protect the safety of informants.

#### Article 11 (Disciplinary and appeal measures)

If the Company's personnel violates the code of ethical conduct, the Company shall handle in accordance with law or pursuant to the Company's relevant regulations. The Company has set up an appeal system to provide the violator with remedies.

Article 12(Procedures for exemption)

If any of the Company's personnel is exempt from compliance with the provisions of these Codes, it shall be submitted to the Board of Directors for adoption by resolution before doing so.

Under the foregoing circumstance, the name of the person who is allowed to be exempted, the date on which the Board adopted the exemption, the period during which the exemption applies, the reason for the exemption, as well as the criteria under which the exemption is applied shall be disclosed on the MOPS immediately.

Article 13(Method of Disclosure)

The Company shall disclose the Codes of Ethical Conduct it has adopted, and any amendments to it, in its annual reports and prospectuses and on the MOPS.

Article 14(Enforcement)

These Codes, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, delivered to each supervisor, and submitted to a shareholders meeting.

## Appendix V

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

- I. Types and total number of shares issued: 3,817,196,399 shares of ordinary shares.
  - II. Minimum shares required to be held by all Directors: 114,515,892 shares (3.0%)
  - III. Shareholding from all Directors has reached the legally stipulated ownership of shares.
- Book closure date: April 25, 2021

Title	Name of Director or corporate shareholder	Number of shares held as of book closure date
Chairman	Baoxin International Investment Co., Ltd. Representative: Fang-ming Lu	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: Min-Shiang Lin	89,087,877
Director	Yu Sheng Investment Co., Ltd. Representative: Chung-Cheng Tseng	8,215,177
Director	Baoxin International Investment Co., Ltd. Representative: Jui-Ying Fan	708,730
Director	Baoxin International Investment Co., Ltd. Representative: Wen-Lin ,Kung (Note 1)	708,730
Director	Baoxin International Investment Co., Ltd. Representative: Yung-Cheng Chen	708,730
Independent Director	Yi-Wen Chen	-
Independent Director	Shi-Nine Yang	-
Independent Director	Li-June Chen (Note 2)	-
Total number of shares held by all Directors		359,841,561

Note 1: The corporate director of Baoxin International Investment Co., Ltd appointed Mr. Wen-Lin ,Kung as its representative on August 20, 2020 (older: Chia-Hsiang Chang )

Note 2: By-election of one independent director in 2021 First Extraordinary Shareholders Meeting, newly-elected independent director : Li-June Chen.