

2023 Annual Shareholders' Meeting Meeting Handbook



May 24, 2023

Table of Content

Page No.

I. Meeting Procedure	01
II. Meeting Agenda	02
Report Items.....	03
Acknowledgments	06
Discussions	07
Elections.....	08
Other Matters.....	09
Extraordinary Motions	09
III. Attachments	
Attachment 1. Independent Auditors' report and 2022 Financial Statements	10
Attachment 2. Articles of Incorporation (Comparison of existing and revised clauses)	18
Attachment 3. Procedures for Acquisition or Disposal of Assets (Comparison of existing and revised clauses)	23
Attachment 4. Candidate List for Elections of Directors and Independent Directors	25
IV. Appendix	
Appendix 1. Rules and Procedures of Shareholders' Meeting.....	27
Appendix 2. Articles of Incorporation (English version)	36
Appendix 3. Procedures for Acquisition or Disposal of Assets	70
Appendix 4. Shareholdings of Directors and Independent Director.....	86

**Cowealth Medical Holding Co., Ltd.
2023 Annual General Meeting Proceeding**

One. Chairperson Announces Commencement of Meeting

Two. Chairperson's Opening Remarks

Three. Report Items

Four. Acknowledgments

Five. Discussions

Six. Elections

Seven. Other Matters

Eight. Extraordinary Motions

Nine. Adjournment

Cowearth Medical Holding Co., Ltd.

2022 Annual General Shareholders' Meeting Agenda

Time: 9:00AM, May 24, 2023 (Wednesday)

Venue: 23F, No. 76, Section 2, Dunhua South Road, Taipei City (conference room at Cowearth Group's Hub Center)

Form of meeting: Physical shareholder meeting

Chairperson: Chairman Joyce Wang

Meeting Procedure

One. Chairperson Announces Commencement of Meeting

Two. Chairperson's Opening Remarks

Three. Report Items

- I. Business Report of 2022
- II. Audit Committee's Review Report on the 2022 Financial Statements
- III. Report on allocation of employee and director remuneration for 2022
- IV. Report on 2022 Directors' Compensation

Four. Acknowledgments

- I. 2022 Financial Statements and Business Report
- II. 2022 Earnings Distribution

Five. Discussions

- I. Amendments to "Articles of Incorporation"
- II. Amendments to "Procedures for Acquisition or Disposal of Assets"

Six. Elections

Elections for All Directors

Seven. Other Matters

Release the Prohibition on the 8th Directors from Participation in Competitive Business

Eight. Extraordinary Motions

Nine. Adjournment

Report Items

Motion 1: Presentation of the 2022 business report.

Description: Below is the 2022 Business Report of the Company:

According to the audited consolidated financial statements, the annual revenue was NT\$ 5,626,367 thousand, net income after tax was NT\$ 235,198 thousand, net income attributable to the parent company was NT\$ 94,115 thousand. Below is the comparative income statement for 2022 and 2021:

Unit: NTD thousands except for earnings per share, which is in NTD.

Item	2022	%	2021	%	Variation Amount	Variation %
I. Operating revenues	5,626,367	100.0%	5,139,748	100.0%	486,619	9.5%
II. Operating costs	4,521,925	80.4%	4,081,821	79.4%	440,104	10.8%
III. Gross profit	1,104,442	19.6%	1,057,927	20.6%	46,515	4.4%
IV. Operating expenses	734,616	13.1%	716,938	13.9%	17,678	2.5%
V. Operating profit	369,826	6.5%	340,989	6.7%	28,837	8.5%
VI. Non-operating income and expenses	18,516	0.3%	-6,253	-0.1%	24,769	-396.1%
VII. Profit before tax	388,342	6.8%	334,736	6.6%	53,606	16.0%
VIII. Income tax expense	153,144	2.7%	118,824	2.3%	34,320	28.9%
IX. Net income	235,198	4.1%	215,912	4.3%	19,286	8.9%
X. Net income attributable to parent company	94,115		139,464		-45,349	
Earnings per share - after tax	1.22		1.80			

Faced with the impact from COVID-19 in 2022, under the instruction of the Board of Directors and the operations team, the Company did an excellent job in epidemic prevention, and in the meantime, strengthened the expansion of the market and established a marketing system. The operating revenue in 2022 was NT\$5,626,367 thousand, increasing by NT\$486,619 thousand and 9.5% compared to 2021. The gross profit in 2022 was NT\$1,104,442 thousand, increasing by NT\$46,515 thousand and 4.4% compared to 2021.

The Company's expense ratio of this year was approximate to the previous period. The operating expense in 2022 increased by NT\$17,679 thousand and 2.5% compared to 2021. Because of the expansion in business after the IPO of the subsidiary Cowealth Medical China Co., Ltd., the operating expense increased.

The Company's non-operating revenue in 2022 increased by NT\$24,769 thousand compared to 2021. As the result of the capital obtained from the IPO of Cowealth Medical China Co., Ltd. and the influence of the rising interest rates around the world, the interest income increased. The income tax expense in 2022 was NT\$153,144 thousand, compared with NT\$118,824 thousand in 2021. The income tax expense to operating revenue ratio in the two periods were approximate.

The net income after tax in 2022 increased by NT\$19,286 thousand and 8.9% compared to 2021. The net income attributable to the parent company and the earnings per share were lower than 2021. This resulted from the decreased shareholding ratio, which is because of the capital increase from the IPO of the subsidiary Cowealth Medical China Co., Ltd.

Motion 2: Presentation of Audit Committee's review of the 2022 Financial Statements.

Description: The consolidated financial statements, business report and earnings distribution table for 2022 have been reviewed and approved by the Company's Audit Committee.

Below is the review report:

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 business report, financial statements and earnings appropriation proposal. The financial statements have been audited by CPA firm of KPMG, to which the firm issued an independent auditor's report. The Audit Committee found no misstatement in the above business report, financial statements, or earnings distribution proposal, and hereby issues its report in accordance with the Articles of Incorporation, the Audit Committee Charter, and relevant laws.

Cowearth Medical Holding Co., Ltd.

Audit Committee Convener Yen-Ching Tsai

March 21, 2023

Motion 3: Report on the allocation of employee and director remuneration for 2022.

Description: 1. To proceed according to Article 34.1 of the Articles of Incorporation.

2. The Company's 2022 employee and director remuneration have been passed by the board of directors. Details of the remuneration are presented below:
 - (1) Employees' remuneration: NT\$992,067.
 - (2) Directors' remuneration: NT\$2,976,200.
3. The above remunerations are similar to the amounts previously estimated and recognized as expenses for the year, and will be entirely paid in cash.

Motion 4: Presentation of the 2022 directors' compensation report.

Description: 1. In accordance with Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, it is advisable that a TWSE/TPEX listed company report at a general shareholders' meeting the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews.

- (1) In addition to receiving fixed salaries according to their positions, the directors of the company may also participate in the distribution of the company's profits. According to the Articles of Association, the remuneration received by directors due to their duties is determined by the board of directors based on their participation in and contribution to the company's operations; the amount and degree of participation in profit distribution is determined by the board of directors and distributed after passing an ordinary resolution of the shareholders' meeting. Directors The total amount of participating profit distribution shall not exceed 3% of the company's annual net profit.
 - (2) In consideration of maintaining the professionalism and independence of independent directors, the independent directors of the company do not participate in the distribution of directors' remuneration after the company's earnings, except for receiving fixed remuneration and traveling expenses for attending meetings.
2. In accordance with Article 30.2 of the Articles of Incorporation, the amount of a director's remuneration shall be based on the scope of service and value provided to the Company, such as whether they concurrently serve as a convener of a functional committee, the time devoted and the responsibility taken, as well as the peer payment level within the Republic of China and overseas, and shall be reviewed and approved by the board of directors.
 3. Details of the directors' compensation presented below:

Title	Name	Directors' Remuneration								Sum of A, B, C and D as a percentage of net income (Note 8)		Compensation received as employee								Sum of A, B, C, D, E, F, and G and relative percentage to net income (Note 8)		Compensation from parent company or business investments other than subsidiaries (Note 9)
		Benefits (A) (Note 2)		Severance pay and pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Severance payment and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 8)		The Company	All companies included in the financial statements (Note 7)	
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman	Wang Chiung Chih	0	6,368	0	0	496	496	14	14	510	6,878	0	10,861	10,748	53,625	0	0	0	0	11,258	28,487	0
										0.54%	7.31%								11.96%	30.27%		
Director	Duane Lee	0	5,168	0	0	496	3,144	14	14	510	8,326	0	5,878	0	0	1,360	0	1,360	0	1,870	15,564	0
										0.54%	8.85%								1.99%	12.19%		
Director	Chuan Chin	0	0	0	0	496	496	14	14	510	510	0	0	0	0	0	0	0	0	510	510	0
										0.54%	0.54%								0.54%	0.54%		
Director	Kuang-Tsan Tsao	0	0	0	0	496	496	8	8	504	504	0	0	0	0	0	0	0	0	504	504	0
										0.54%	0.54%								0.54%	0.54%		
Director	Le-Sheng Wu	0	0	0	0	496	496	14	14	510	510	0	0	0	0	0	0	0	0	510	510	0
										0.54%	0.54%								0.54%	0.54%		
Director	Po-Chien Hui	0	0	0	0	496	496	14	14	510	510	0	0	0	0	0	0	0	0	510	510	0
										0.54%	0.54%								0.54%	0.54%		
Independent Director	Ying-Tung Lau	600	600	0	0	0	0	14	14	614	614	0	0	0	0	0	0	0	0	614	614	0
										0.65%	0.65%									0.65%	0.65%	
	Chung-Wen Tong	500	500	0	0	0	0	14	14	514	514	0	0	0	0	0	0	0	0	514	514	0
										0.55%	0.55%									0.55%	0.55%	
	Yann-Ching Tsai	700	700	0	0	0	0	12	12	712	712	0	0	0	0	0	0	0	0	712	712	0
										0.76%	0.76%									0.76%	0.76%	
Total		1,800	13,336	0	0	2,976	5,624	118	136	4,894	19,096	0	16,739	10,748	53,625	1,360	0	1,360	0	17,002	47,925	0
										5.20%	14.32%								18.07%	50.92%		

Acknowledgments

Motion 1

Proposed by the board of directors

Summary: Acknowledgment of the 2022 financial statements and business report.

- Description: 1. The Company's 2022 consolidated financial statements (including balance sheet, statement of comprehensive income, statement of changes in equity, and cash flow statement) have been audited by CPA Chou Pao Lian and CPA Chiu-Hua Hsieh of KPMG, to which they issued an independent auditor's report with unqualified opinion. These documents have been reviewed by the Audit Committee and approved by board of directors' resolution.
2. Please refer to page 3 for the business report.
3. Please refer to page 4 for Audit Committee's review report.
4. Please refer to Attachment 1 (pages 10-16) for independent auditor's report and the 2022 financial statements.
5. The motion is open for acknowledgment.

Resolution:

Motion 2

Proposed by the board of directors

Summary: Acknowledgment of the 2022 earnings distribution.

- Description: 1. The Company's 2022 earnings distribution was calculated based on distributable earnings for 2022. For shareholders' profit sharing, a proposal has been raised to pay cash dividends at NT\$1.6 per share. Based on the Company's 77,449,547 outstanding shares as at March 21, 2023, this equates to total dividend payout of NT\$123,919,275.
2. Once the earnings distribution is passed during the annual general shareholders' meeting, the board of directors shall be authorized to set the baseline date for profit distribution. Proposal to seek shareholders' authorization for the board of directors to make appropriate adjustments at its sole discretion should the Company decide to buy back shares or transfer or retire treasury stock, or if employee warrants are exercised or if corporate bonds are converted into common shares, on a later date that results in a change of outstanding shares or dividends per share.
3. The amount of cash dividends payable to individual shareholders shall be rounded down to the nearest dollar. Fractions that do not amount to a full dollar will be summed and recognized by the Company as other income.
4. The 2022 earnings distribution table is presented as follows:

	Unit: NTD
	<u>NTD</u>
Opening unappropriated earnings (January 1, 2022)	\$ 412,414,062
Plus: Current changes in remeasurement of defined benefit plan	1,090,029
Reversal of special reserve due to reversal of the net amount of other deductions from equity	72,575,581
Net Income of 2022	94,115,264
Less: 10% provision for special reserve	<u>(9,411,526)</u>
Distributable earnings	<u>\$ 570,783,410</u>
Distributions:	
Shareholder profit sharing - cash dividends (NT\$1.6 per share)	123,919,275
Closing unappropriated earnings	<u><u>\$ 446,864,135</u></u>

5. The motion is open for acknowledgment.

Resolution:

Discussions

Motion 1

Proposed by the board of directors

Summary: Amendments to the “Articles of Incorporation”; the motion is available for discussion.

- Description: 1. Proposal to make partial amendments to the Articles of Incorporation for conformity with the latest version of “Checklist of Shareholders’ Equity Protection Measures at Foreign Issuer’s Domicile” amended by Taipei Exchange under Correspondences No. Zheng-Gui-Shen-Zi 11200504511 dated January 17, 2023.
2. Please refer to Attachment 2 (pages 17-21) for a comparison of the amendments made.
 3. The motion is hereby presented for resolution.

Resolution:

Motion 2

Proposed by the board of directors

Summary: Amendments to “Procedures for Acquisition or Disposal of Assets”; the motion is available for discussion.

- Description: 1. Proposal to make amendments to the “Procedures for Acquisition or Disposal of Assets” for the requirement of the Company’s operation.
2. Please refer to Attachment 3 (pages 22-23) for a comparison of the amendments made.
 3. The motion is hereby presented for resolution.

Resolution:

Elections

Motion 1

Proposed by the board of directors

Summary: The election for all directors

- Description: 1. The term of all directors will end on May 26, 2023. Accordingly, the Board proposes to elect new Board members at this year’s Annual Meeting of Shareholders.
2. According to the Articles of Incorporation and “Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies, a total of 9 directors (including 4 independent directors) shall be elected during this general shareholders’ meeting by adopting the candidates’ nomination system. The three-year term will start on May 24, 2023 and conclude on May 23, 2026. The term of new directors and independent directors will begin immediately after the shareholders’ meeting.
 3. The qualification requirements for being elected as an independent director are required in accordance with Article 14-2 of “Securities and Exchange Act” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”
 4. The qualifications of the nominated directors and independent directors has been reviewed by the Board Meeting on April 11, 2023. Please refer to Attachment 4 (pages 24) for details.
 5. Please conduct the election.

Voting Results:

Other Matters

Motion 1

Proposed by the board of directors

Summary: To discuss the appropriateness of releasing the prohibition on the 8th directors from participation in competitive business.

- Description: 1. According to the Terms of the Articles of Incorporation, any director conducting business for himself/herself or on an other’s behalf, and in scope of which coincides with the Company’s business scope, shall explain at the Shareholders’ Meeting the essential contents of such conduct and obtain approval from shareholders in the Meeting by special resolution.
2. The proposal has been resolved by the Board Meeting on April 11, 2023. It is proposed to the Shareholders’ Meeting for approval to release the prohibition on the 8th directors from participation in competitive business in accordance with the procedures defined in the Articles of Incorporation.
 3. Below is the concurrent position of the directors and independent directors:

Title	Name of director	Concurrent positions in other companies
Director	Wang Chiung Chih	Director of Cowealth Medical China Co., Ltd.
Director	Lee Duen	Chairman of Cowealth Medical China Co., Ltd.

Director	Kuang-Tsan Tsao	Chairman of Chinpaosan Ltd. Company
		Chairman of Simple Joy Development Co., Ltd.
		Chairman of Simple Joy Capital Investment Co., Ltd.
		Chairman of Cihguang Investment Co.
		Chairman of Glory of Taiwan Art Development Co., Ltd.
		Chairman of Hefu Runsheng Ltd. Company
		Director of Chinpaoshuan Ltd. Company
		Director of Zhenji Construction Ltd. Company
		Director of Chin Pao San Culture Tourism Enterprise Co., Ltd.
		Director of Zhaorihguang Investment Ltd. Company
		Director of Jindaren Ltd. Company
Independent Director	Yann-Ching Tsai	Independent director of CTBC Bank Co., Ltd.
		Independent director of Genesys Logic, Inc.
		Independent director of Yulon Motor Co., Ltd.
Independent Director	Kun-Chih Chen	Independent Director of Aaeon Technology Inc.

Resolution:

Extraordinary Motions

Adjournment



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Cowealth Medical Holding Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Cowealth Medical Holding Co., Ltd. (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement 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 of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation, as well as related guidance 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Valuation of accounts receivable

Please refer to Note 4(g) “financial instruments” for accounting policy of accounts receivable, Note 5(a) for accounting estimations and assumption uncertainty of accounts receivable valuation, and Note 6(b) “note and trade receivables” for the explanations of accounts receivable valuation.

Description of key audit matter

The majority customers and the sales region of the Group are hospitals located in China and some of the contracts are recognized under installment sale method which leads to longer accounts receivable turnover days. Since the allowance of accounts receivable valuation was based on the management's judgement, we will need to pay close attention to this matter during the audit of financial statement.

How the matter was addressed in our audit

We tested the effectiveness of the Group's controls related to receivables collection and reviewed the received payments after the collection period; analyzed accounts receivable aging report, collection records, recent customers' credit status, and other related documents to assess the reasonableness of the Group's allowance of accounts receivable valuation. Furthermore, we also assessed the appropriateness of the Group's relevant disclosure of accounts receivable.

2. Revenue recognition

Refer to Note 4(o) "Revenue recognition" and Note 6(t) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter

Revenue is an important indicator to measure the business performance of the Group. Whether the amount and time of revenue recognition is correct significantly affects the quality of financial statement and the operation of the capital market. It is one of the important assessment matters for us to perform the audit of the financial reports of the Group.

How the matter was addressed in our audit

We tested the effectiveness of the Group's controls on sales and receivable cycles; evaluated whether the Group's and the Subsidiary's revenue recognition provisions were consistent with the accounting standards; Checked related vouchers around the selected balance sheet date to confirm the appropriateness and the cutoff date of the recorded sales revenue. Besides, we checked the sales contracts and related documents between the major subsidiaries and the customers of the Group, reviewed customer evaluation documents, and performed sales analysis on each product to assess the reasonableness of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations as well as related guidance 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 the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chou, Pao Lian and Hsieh, Chiu-Hua.

KPMG

Taipei, Taiwan (Republic of China)
March 21, 2023

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
COWEALTH MEDICAL HOLDING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(expressed in thousands of New Taiwan Dollars , except for Earnings Per Share)

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (note 6(t))	\$ 5,626,367	100	5,139,748	100
5000	Operating costs (note 6(e))	<u>4,521,925</u>	<u>80</u>	<u>4,081,821</u>	<u>79</u>
	Gross profit	1,104,442	20	1,057,927	21
	Operating expenses (notes 6(c)(d)(p)(u)(v) and 7):				
6100	Selling expenses	368,967	7	283,963	6
6200	Administrative expenses	333,020	6	403,660	8
6300	Research and development expenses	12,363	-	-	-
6450	Expected credit loss (gain)	<u>20,266</u>	<u>-</u>	<u>29,315</u>	<u>1</u>
		<u>734,616</u>	<u>13</u>	<u>716,938</u>	<u>15</u>
	Operating income	<u>369,826</u>	<u>7</u>	<u>340,989</u>	<u>6</u>
	Non-operating income and expenses:				
7100	Interest income	37,245	1	10,575	-
7190	Other income, others (notes (v) and 7)	6,280	-	9,769	-
7210	Gains on disposals of property, plant and equipment	(791)	-	(16)	-
7228	Gain on lease modification (note 6(j))	2,521	-	-	-
7235	Gains on financial assets at fair value through profit or loss	7,501	-	-	-
7630	Foreign exchange gain (loss)	(1,373)	-	(1,590)	-
7050	Finance costs, net	(24,965)	(1)	(24,385)	-
7590	Miscellaneous disbursements	(363)	-	(541)	-
7625	Losses on disposals of investments	(7,644)	-	-	-
7770	Share of profit (loss) of joint ventures accounted for using equity method	<u>105</u>	<u>-</u>	<u>(65)</u>	<u>-</u>
		<u>18,516</u>	<u>-</u>	<u>(6,253)</u>	<u>-</u>
7900	Profit from continuing operations before tax	388,342	7	334,736	6
7950	Less: Income tax expenses (note 6(q))	<u>153,144</u>	<u>3</u>	<u>118,824</u>	<u>2</u>
	Profit	<u>235,198</u>	<u>4</u>	<u>215,912</u>	<u>4</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(p))	<u>1,090</u>	<u>-</u>	<u>(7,400)</u>	<u>-</u>
		<u>1,090</u>	<u>-</u>	<u>(7,400)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	103,820	2	(22,410)	-
8399	Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	<u>(5,920)</u>	<u>-</u>	<u>248</u>	<u>-</u>
		<u>97,900</u>	<u>2</u>	<u>(22,162)</u>	<u>-</u>
8300	Other comprehensive income (after tax)	<u>98,990</u>	<u>2</u>	<u>(29,562)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 334,188</u>	<u>6</u>	<u>186,350</u>	<u>4</u>
	Net income attributable to:				
8610	Owners of the parent	\$ 94,115	1	139,464	3
8620	Non-controlling interests	<u>141,083</u>	<u>3</u>	<u>76,448</u>	<u>1</u>
		<u>\$ 235,198</u>	<u>4</u>	<u>215,912</u>	<u>4</u>
	Comprehensive income attributable to:				
8710	Owners of the parent	\$ 167,781	3	115,125	3
8720	Non-controlling interests	<u>166,407</u>	<u>3</u>	<u>71,225</u>	<u>1</u>
		<u>\$ 334,188</u>	<u>6</u>	<u>186,350</u>	<u>4</u>
	Earnings per share (note 6(s))				
9750	Basic earnings per common share (NT dollars)	\$ <u>1.22</u>		\$ <u>1.80</u>	
9850	Diluted earnings per common share (NT dollars)	\$ <u>1.21</u>		\$ <u>1.80</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
COWEALTH MEDICAL HOLDING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(expressed in thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings		Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			
Balance on January 1, 2021	\$ 774,496	1,007,215	465,835	510,759	(213,160)	2,545,145	886,058	3,431,203
Profit	-	-	-	139,464	-	139,464	76,448	215,912
Other comprehensive income	-	-	-	(7,400)	(16,939)	(24,339)	(5,223)	(29,562)
Total comprehensive income	-	-	-	132,064	(16,939)	115,125	71,225	186,350
Appropriation and distribution of retained earnings:								
Special reserve	-	-	12,440	(12,440)	-	-	-	-
Cash dividends on ordinary share	-	-	-	(92,939)	-	(92,939)	-	(92,939)
Changes in equity of joint venture accounted for using equity method	-	523	-	-	-	523	-	523
Balance on December 31, 2021	774,496	1,007,738	478,275	537,444	(230,099)	2,567,854	957,283	3,525,137
Profit	-	-	-	94,115	-	94,115	141,083	235,198
Other comprehensive income	-	-	-	1,090	72,576	73,666	25,324	98,990
Total comprehensive income	-	-	-	95,205	72,576	167,781	166,407	334,188
Appropriation and distribution of retained earnings:								
Special reserve	-	-	8,856	(8,856)	-	-	-	-
Cash dividends on ordinary share	-	-	-	(116,174)	-	(116,174)	-	(116,174)
Changes in ownership interests in subsidiaries	-	215,929	-	-	-	215,929	(215,929)	-
Changes in non-controlling interests	-	-	-	-	-	-	1,458,958	1,458,958
Balance on December 31, 2022	\$ 774,496	1,223,667	487,131	507,619	(157,523)	2,835,390	2,366,719	5,202,109

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
COWEALTH MEDICAL HOLDING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(expressed in thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 388,342	334,736
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	55,028	67,033
Amortization expense	2,259	2,825
Expected credit loss	20,266	29,315
Net gain on financial assets or liabilities at fair value through profit or loss	(7,501)	-
Interest expense	24,965	24,385
Interest income	(37,245)	(10,575)
Share of (profit) loss of joint ventures accounted for using equity method	(105)	65
(Gain) loss on disposal of property, plant and equipment	(809)	16
Loss on disposal of intangible assets	1,600	-
Gain on lease modification	(2,521)	-
Provision for loss on inventory market price decline	5,494	5,088
Total adjustments to reconcile profit	<u>61,431</u>	<u>118,152</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable	13,362	121,196
Increase in accounts receivable	(805,974)	(114,876)
Decrease in other receivable	5,978	9,975
Increase in inventories	(53,783)	(186,682)
Increase in prepayments	(134,138)	(234,560)
Increase in other current assets	(14,999)	(2,591)
Decrease (increase) in other operating assets	16,081	(24,640)
Decrease in contract liabilities	(51,102)	-
Increase in notes payable	263,510	-
Increase (decrease) in accounts payable	233,961	(56,758)
(Decrease) increase in other payable	(57,796)	64,649
Increase (decrease) in provisions	735	(100)
Increase in receipts in advance	1,201	9,525
Increase (decrease) in other current liabilities	896	(1,666)
(Decrease) increase in net defined benefit liability	(42,797)	1,133
Total adjustments	<u>(563,434)</u>	<u>(297,243)</u>
Cash (used in)/ generated from operations	(175,092)	37,493
Interest received	39,213	10,575
Income taxes paid	(131,712)	(166,445)
Net cash flows used in operating activities	<u>(267,591)</u>	<u>(118,377)</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(197,603)	-
Acquisition of property, plant and equipment	(18,680)	(34,537)
Proceeds from disposal of property, plant and equipment	1,391	133
Decrease in refundable deposits	7,922	15,807
Acquisition of intangible assets	(7,694)	(2,124)
(Increase) decrease in other financial assets	(56,332)	7,209
Net cash flows used in investing activities	<u>(270,996)</u>	<u>(13,512)</u>
Cash flows from financing activities:		
Increase in short-term loans	483,330	-
Increase (decrease) in short term loans	(674,455)	27,236
Repayments of long-term debt	(43,773)	(94,799)
Cash dividends paid	(116,174)	(92,939)
Changes in non-controlling interests	1,458,958	-
Interest paid	(24,558)	(21,839)
Payment of lease liabilities	(17,252)	(16,214)
Net cash flows from (used in) financing activities	<u>1,066,076</u>	<u>(198,555)</u>
Effect of exchange rate changes on cash and cash equivalents	13,217	(38,038)
Net increase (decrease) in cash and cash equivalents	540,706	(368,482)
Cash and cash equivalents at beginning of period	842,684	1,211,166
Cash and cash equivalents at end of period	<u>\$ 1,383,390</u>	<u>842,684</u>

COWEALTH MEDICAL HOLDING CO., LTD.

合富醫療控股股份有限公司

公司章程

修正條文對照表

Attachment 2

修正條文	現行條文	修正說明
封面		
(as adopted by a Special Resolution dated as of May 24, 2023) (經 2023 年 5 月 24 日特別決議通過)	(as adopted by a Special Resolution dated as of May 12, 2022) (經 2022 年 5 月 12 日特別決議通過)	更新擬於股東會特別決議通過此次修訂章程之日期。
章程大綱		
(as adopted by a Special Resolution dated as of May 24, 2023) (經 2023 年 5 月 24 日特別決議通過)	(as adopted by a Special Resolution dated as of May 12, 2022) (經 2022 年 5 月 12 日特別決議通過)	更新擬於股東會特別決議通過此次修訂章程之日期。
2. The registered office of the Company will be situate at the offices of Gold-In (Cayman) Co., Ltd., whose physical address is Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands with postal address P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands, or at such other place as the Directors may determine. 公司註冊所在地為 Gold-In (Cayman) Co., Ltd. 之所在地 ，其地址為開曼群島 Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands with postal address P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands，或董事會日後決議之其他地點。	2. The registered office of the Company will be situate at the offices of Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands with postal address P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands, or at such other place as the Directors may determine. 公司註冊所在地為開曼群島 Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands with postal address P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands，或董事會日後決議之其他地點。	更改公司地址之說明方式。
章程		
(as adopted by a Special Resolution dated as of May 24, 2023) (經 2023 年 5 月 24 日特別決議通過)	(as adopted by a Special Resolution dated as of May 12, 2022) (經 2022 年 5 月 12 日特別決議通過)	更新擬於股東會特別決議通過此次修訂章程之日期。
17.4 The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials for Members' inspection, which will be placed at the Company and the securities agent of the Company, distributed at the meeting venue, and shall be transmitted to the Market Observation Post System in accordance with and within the period required by the Applicable Public Company Rules. <u>If the Company has more than NT\$10 billion dollars paid-in capital on the end of the most recent accounting period, or the shareholding percentages of the foreign investors and the People's Republic of China investors has exceeded 30% according to the Register of Members on the date of the annual general meeting held in the most recent accounting period, the Company shall complete the</u>	17.4 The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials for Members' inspection, which will be placed at the Company and the securities agent of the Company, distributed at the meeting venue, and shall be transmitted to the Market Observation Post System in accordance with and within the period required by the Applicable Public Company Rules.	依據「外國發行人註冊地國股東權益保護事項檢查表」(20220315 版)規定修訂。

修正條文	現行條文	修正說明
<p><u>transmission of the above electronic files thirty days prior to any annual general meeting.</u> 董事會並應依公開發行公司法令準備股東會議事手冊和補充資料供股東索閱，並陳列於公司及其股務代理機構，且應於股東會現場發放，並應依公開發行公司法令所規定之期限傳送至公開資訊觀測站。<u>但公司於最近會計年度終了日實收資本額達新臺幣一百億元以上或最近會計年度召開股東常會其股東名簿記載之外資及陸資持股比率合計達百分之三十以上者，應於股東常會開會三十日前完成前開電子檔案之傳送。</u></p>	<p>董事會並應依公開發行公司法令準備股東會議事手冊和補充資料供股東索閱，並陳列於公司及其股務代理機構，且應於股東會現場發放，並應依公開發行公司法令所規定之期限傳送至公開資訊觀測站。</p>	
<p>22.1 In the event any of the following resolutions is adopted at general meetings, any Member <u>(the “Dissenting Member”)</u> who has notified the Company in writing or verbally (with a record) of his objection to such a resolution prior to or during the meeting and <u>has voted against or abstained from voting</u>, may request the Company to buy back all of his/her Shares at the then prevailing fair price. <u>The shares that have been abstained from voting by the Dissenting Member in accordance with the foregoing shall not be counted in the number of votes casted by the Member at a general meeting:</u></p> <p>(a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company’s business in whole, or the delegation of management of the Company’s business to other or the regular joint operation of the Company with others;</p> <p>(b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;</p> <p>(c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company’s business operations;</p> <p>(d) Any part of the Company’s business is Spin-Off (other than a Short-form Spin-off);</p> <p>(e) The Company is involved in any Merger (other than a Short-form Merger) with any other company;</p> <p>(f) The Company is involved in any Acquisition with any other company; or</p> <p>(g) The Company is involved in any Share Exchange (other than a Short-form Share Exchange) with any other company.</p> <p>在下列決議為股東會通過的情況下，於會議前或集會中已以書面或以口頭（並經記錄）通知公司其反對該項決議之意思表示，<u>並投票反對或放棄表決權的股東（以下稱「異議股東」）</u>，可請求公司以當時公平價格收買其所有之股份。<u>異議股東依前述規定所放棄表決權之股份數，不算入已出席股東之表決權數：</u></p>	<p>22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing or verbally (with a record) of his objection to such a resolution prior to or during the meeting and <u>forfeited his voting right provided</u>, may request the Company to buy back all of his/her Shares at the then prevailing fair price:</p> <p>(a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company’s business in whole, or the delegation of management of the Company’s business to other or the regular joint operation of the Company with others;</p> <p>(b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;</p> <p>(c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company’s business operations;</p> <p>(d) Any part of the Company’s business is Spin-Off (other than a Short-form Spin-off);</p> <p>(e) The Company is involved in any Merger (other than a Short-form Merger) with any other company;</p> <p>(f) The Company is involved in any Acquisition with any other company; or</p> <p>(g) The Company is involved in any Share Exchange (other than a Short-form Share Exchange) with any other company.</p> <p>在下列決議為股東會通過的情況下，於會議前或集會中已以書面或以口頭（並經記錄）通知公司其反對該項決議之意思表示，放棄表決權的股東，可請求公司以當時公平價格收買其所有之股份：</p>	<p>依據現行「外國發行人註冊地國股東權益保護事項檢查表」（20230117版）（下稱「股東權益保護事項檢查表」）規定修訂。</p>

修正條文	現行條文	修正說明
<p>(a) 公司締結，修改或終止有關出租公司全部營業，委託經營或與他人經常共同經營的契約；</p> <p>(b) 公司轉讓其全部或主要部分的營業或財產，但公司因解散所為的轉讓不在此限；</p> <p>(c) 公司受讓他人全部營業或財產，對公司營運產生重大影響者；</p> <p>(d) 公司營業之任一部分被分割（不包括簡易分割）；</p> <p>(e) 公司與另一公司進行合併（不包括簡易合併）；</p> <p>(f) 公司另一公司進行收購；或</p> <p>(g) 公司另一公司進行股份轉換（不包括簡易股份轉換）。</p>	<p>(a)公司締結，修改或終止有關出租公司全部營業，委託經營或與他人經常共同經營的契約；</p> <p>(b) 公司轉讓其全部或主要部分的營業或財產，但公司因解散所為的轉讓不在此限；</p> <p>(c) 公司受讓他人全部營業或財產，對公司營運產生重大影響者；</p> <p>(d) 公司營業之任一部分被分割（不包括簡易分割）；</p> <p>(e) 公司與另一公司進行合併（不包括簡易合併）；</p> <p>(f) 公司另一公司進行收購；或</p> <p>(g) 公司另一公司進行股份轉換（不包括簡易股份轉換）。</p>	
<p>22.3 Subject to the Statute, the request by a Dissenting Member prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types, numbers and the price of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the Dissenting Member in regard to the Shares of such Dissenting Member (the “Appraisal Price”), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached, the Company shall pay the fair price it has recognized to the Dissenting Member who asks for a higher price within ninety days since the resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the Dissenting Member. In the event the Company fails to reach such agreement with the Dissenting Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. against all the Dissenting Members as the opposing party for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Dissenting Member solely with respect to the Appraisal Price.</p> <p>在不違反法令之情形下，異議股東依前兩條所規定的請求，應在決議日起二十日內，提出記載請求買回之股份種類、數額及收買價格的書面請求於公司。在公司與提出請求的異議股東就該異議股東所持股份之收買價格（以下稱「股份收買價格」）達成協定的情況下，公司應在決議日起九十日內支付價款。未達成協議者，公司應自決議日起九十日內，依其所認為</p>	<p>22.3 Subject to the Statute, the request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types, numbers and the price of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the requested Member in regard to the Shares of such Member (the “Appraisal Price”), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting Member who asks for a higher price within ninety days since the resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the dissenting Member. In the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. against all the dissenting Members as the opposing party for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the Appraisal Price.</p> <p>在不違反法令之情形下，前兩條所規定的請求應在決議日起二十日內，提出記載請求買回之股份種類、數額及收買價格的書面請求於公司。在公司與提出請求的股東就該股東所持股份之收買價格（以下稱「股份收買價格」）達成協定的情況下，公司應在決議日起九十日內支付價款。未達成協議者，公司應自決議日起九十日內，</p>	<p>依據股東權益保護事項檢查表規定修訂。</p>

修正條文	現行條文	修正說明
<p>之公平價格支付價款予未達成協議之異議股東；公司未支付者，視為同意異議股東請求收買之價格。在公司未能在決議日起六十日內與異議股東達成協定的情況下，公司應在該六十日期限之後的三十日內，以全體未達成協議之異議股東為相對人，聲請中華民國有管轄權的法院為股份收買價格之裁定，並得以臺灣臺北地方法院為第一審管轄法院。該法院所作出的裁定對於公司和提出請求的異議股東之間僅就有關股份收買價格之事項具有拘束力和終局性。</p>	<p>依其所認為之公平價格支付價款予未達成協議之股東；公司未支付者，視為同意股東請求收買之價格。在公司未能在決議日起六十日內與股東達成協定的情況下，公司應在該六十日期限之後的三十日內，以全體未達成協議之股東為相對人，聲請中華民國有管轄權的法院為股份收買價格之裁定，並得以臺灣臺北地方法院為第一審管轄法院。該法院所作出的裁定對於公司和提出請求的股東之間僅就有關股份收買價格之事項具有拘束力和終局性。</p>	
<p>30.5 A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose the material information of such Director's interest at the meeting; provided that in the event a Director's spouse or any relatives within the second degree of kinship with a Director, or company(s) which has controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a meeting, the said Director shall be deemed to have a personal interest in such matter. If the interest of such Director conflicts with or impairs the interest of the Company, such Director shall not be entitled to vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed merger and acquisition by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting, the nature of such Director's personal interest and the reason(s) that such Director votes for or against the proposed resolution. The Company shall expressly set out the material information of a Director's personal interest and the reason(s) that such Director votes for or against the relevant resolution in the notice of the general meeting; the information thereof may be placed on the website designated by the R.O.C. competent authorities for securities or by the Company, and such website address shall be indicated in the notice.</p> <p>董事對董事會議事項有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就會議之事項有利害關係者，視為董事就該事項有自身利害關係；如董事對於會議之事項有自身利害關係致有害於公司利益之虞者，不得行使表決權或代理其他董事行使表決權，根據上述規定不得行使表決權或代理行使表決權的董事，其表決權不應計入已出席董事會會議董事的表決權數。公司於進</p>	<p>30.5 A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose the material information of such Director's interest at the meeting; provided that in the event a Director's spouse or any relatives within the second degree of kinship with a Director, or company(s) which has controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a meeting, the said Director shall be deemed to have a personal interest in such matter. If the interest of such Director conflicts with or impairs the interest of the Company, such Director shall not be entitled to vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed merger and acquisition by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting, the nature of such director's personal interest and the reason(s) for the approval or objection to the proposed resolution.</p> <p>董事對董事會議事項有自身利害關係時，應於當次董事會說明其自身利害關係之重要內容。董事之配偶、二親等內血親，或與董事具有控制從屬關係之公司，就會議之事項有利害關係者，視為董事就該事項有自身利害關係；如董事對於會議之事項有自身利害關係致有害於公司利益之虞者，不得行使表決權或代理其他董事行使表決權，根據上述規定不得行使表決權或代理行使表決權的董事，其表決權不應計</p>	<p>依據股東權益保護事項檢查表規定修訂。</p>

修正條文	現行條文	修正說明
<p>行併購時，公司董事就併購交易有自身利害關係時，應向董事會及股東會說明其自身利害關係之重要內容及贊成或反對併購決議之理由，<u>公司並應於股東會召集事由中敘明董事利害關係之重要內容及贊成或反對併購決議之理由，其內容得置於中華民國證券主管機關或公司指定之網站，並應將其網址載明於通知中。</u></p>	<p>入已出席董事會會議董事的表決權數。公司於進行併購時，公司董事就併購交易有自身利害關係時，應向董事會及股東會說明其自身利害關係之重要內容及贊成或反對併購決議之理由。</p>	

COWEALTH MEDICAL HOLDING CO., LTD.
Cowealth Medical Holding Co., Ltd.
 Asset Acquisition and Disposal Procedures
 Comparison of Existing and Amended Clauses

Amended clause	Existing clause	Explanation of amendments made
<p>Article 7(Control procedures for the acquisition or disposal of assets by subsidiaries) Subsidiaries of the Company <u>shall follow this Procedures when acquiring or disposing of assets.</u></p> <p>For any transaction that meets the announcement and reporting criteria mentioned in Paragraph 1, Article 20, subsidiaries are required to provide relevant information to the Company and seek opinions from responsible persons of the Company before proceeding with asset acquisition/disposal. Subsidiaries shall also provide relevant information to the Company on a monthly basis for audit and control, as instructed by responsible persons of the Company.</p> <p>The paid-in-capital or total asset of the Company shall be the applicable standard to subsidiaries referred to in Paragraph 1, Article 20.</p>	<p>Article 7(Control procedures for the acquisition or disposal of assets by subsidiaries) The Company <u>shall exercise supervision over the establishment of Asset Acquisition and Disposal Procedures</u> by subsidiaries <u>and ensure that the procedures are resolved during their respective board meetings and shareholder meetings before implementation.</u> Subsidiaries of the Company <u>shall observe the Procedures outlined in the preceding Paragraph</u> when acquiring or disposing of assets. For any transaction that meets the announcement and reporting criteria mentioned in Paragraph 1, Article 20, subsidiaries are required to provide relevant information to the Company and seek opinions from responsible persons of the Company before proceeding with asset acquisition/disposal. Subsidiaries shall also provide relevant information to the Company on a monthly basis for audit and control, as instructed by responsible persons of the Company.</p> <p><i>(This Paragraph is added anew)</i></p>	<p>In accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” establish “Procedures for Acquisition or Disposal of Assets” applicable to the subsidiaries.</p>
<p>Article 7-1(Control procedures for holding position over subsidiaries) Except in the case of strategic alliance or with the consent of Taipei Exchange and approved by the board of directors in a special resolution: I. The Company may not forgo subscription of future cash issues of its subsidiaries including Cowealth Investment Co., Ltd., Wen Wei Investment Co., Ltd., Jie Li Investment Co., Ltd., Le Li Investment Co., Ltd., Cowealth Holding Co., Ltd., Co-Wealth Medical Science & Biotechnology Inc., and Richtek Technology Ltd.;</p> <p>II. Cowealth Holding Co., Ltd. may forgo subscription of future cash issues of the Company’s indirectly held subsidiary - Cowealth Medical China Co., Ltd. (referred to as “Cowealth China” below) and in doing so reduce its shareholding position in Cowealth China, provided that the Company holds at least 51% of equity in Cowealth China and maintains substantive control over the management decisions of Cowealth China. III. Cowealth Holding Co., Ltd. may not forgo subscription of future cash issues of the Company’s indirectly held subsidiaries Health Space Consultation & Management</p>	<p>Article 7-1(Control procedures for holding position over subsidiaries) Except in the case of strategic alliance or with the consent of Taipei Exchange and approved by the board of directors in a special resolution: I. The Company may not forgo subscription of future cash issues of its subsidiaries including Cowealth Investment Co., Ltd., Wen Wei Investment Co., Ltd., Jie Li Investment Co., Ltd., Le Li Investment Co., Ltd., <u>Mark Investment Co.</u>, Ltd., Cowealth Holding Co., Ltd., Co-Wealth Medical Science & Biotechnology Inc., and Richtek Technology Ltd.;</p> <p>II. Cowealth Holding Co., Ltd. may forgo subscription of future cash issues of the Company’s indirectly held subsidiary - Cowealth Medical China Co., Ltd. (referred to as “Cowealth China” below) and in doing so reduce its shareholding position in Cowealth China, provided that the Company holds at least 51% of equity in Cowealth China and maintains substantive control over the management decisions of Cowealth China. III. Cowealth Holding Co., Ltd. may not forgo subscription of future cash issues of the Company’s indirectly held subsidiaries Health Space Consultation & Management</p>	<p>Revised wording of this Article to accommodate changes in organization and shareholding.</p>

Amended clause	Existing clause	Explanation of amendments made
<p>(Shanghai) Co., Ltd. and U Health Business Management (Shanghai) Co., Ltd.;</p> <p>IV. Co-Wealth Medical Science & Biotechnology Inc. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary Co-Wealth Holding Co., Ltd.;</p> <p>(Deleted)</p> <p>V. Cowealth Medical China Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiaries <u>Coaim Information Technology Co., Ltd. (former Royal Seal Medical Technology (Shanghai) Co., Ltd.)</u>, Royal Seal Holding Co., Limited and Colab Reserch & Development Inc.;</p> <p><u>VI. Coaim Information Technology Co., Ltd. (former Royal Seal Medical Technology (Shanghai) Co., Ltd.)</u> may not forgo subscription of future cash issues of the Company's indirectly held subsidiary CHM Consulting Co., Ltd.;</p> <p><u>VII.</u> The Company shall not dispose of shares at directly or indirectly held subsidiaries including Cowealth Investment Co., Ltd., Wen Wei Investment Co., Ltd., Jie Li Investment Co., Ltd., Le Li Investment Co., Ltd., Royal Seal Holding Co., Limited, Cowealth Holding Co., Ltd., Co-Wealth Medical Science & Biotechnology Inc., Richtek Technology Ltd., Health Space Consultation & Management (Shanghai) Co., Ltd., Cowealth Medical China Co., Ltd., Co-Wealth Holding Co., Ltd., Colab Reserch & Development Inc. , CHM Consulting Co., Ltd., and <u>Coaim Information Technology Co., Ltd. (former Royal Seal Medical Technology (Shanghai) Co., Ltd.)</u></p>	<p>(Shanghai) Co., Ltd. and U Health Business Management (Shanghai) Co., Ltd.;</p> <p>IV. Co-Wealth Medical Science & Biotechnology Inc. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary Co-Wealth Holding Co., Ltd.;</p> <p><u>V. Co-Wealth Holding Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary Cowealth Investment Co., Ltd.;</u></p> <p><u>VI.</u> Cowealth Medical China Co.,Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiaries Royal Seal Medical Technology (Shanghai) Co., Ltd., Royal Seal Holding Co., Limited and Colab Reserch & Development Inc.;</p> <p><u>VII.</u> Royal Seal Medical Technology (Shanghai) Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary CHM Consulting Co., Ltd.;</p> <p><u>VIII.</u> The Company shall not dispose of shares in directly or indirectly held subsidiaries including Cowealth Investment Co., Ltd., Wun-Wei Investment Co., Ltd., Jie-Li Investment Co., Ltd., Le-Li Investment Co., Ltd., <u>Mark Investment Co., Ltd.</u>, Royal Seal Holding Co., Limited, Cowealth Holding Co., Ltd., Cowealth Medical Science & Biotechnology Inc., Richtek Technology Ltd., Health Space Consultation & Management (Shanghai) Co., Ltd., U Health Business Management (Shanghai) Co., Ltd., Cowealth Medical China Co., Ltd., Co-wealth Holding Co., Ltd., Colab Reserch & Development Inc., <u>Cowealth Investment Co., Ltd.</u>, CHM Consulting Co., Limited (<u>former CHM Consulting Co., Ltd.</u>), and Royal Seal Medical Technology (Shanghai) Co., Ltd.</p>	

Candidate List for Elections of Directors and Independent Directors

Attachment 4

Title	Name	Main education and experience	Number of shares held	Whether the candidate has already served as an independent director for three consecutive terms or more
Director	Wang Chiung Chih	Education: Bachelor's Degree in Commerce, National Taiwan University. Experience: Unisys Taiwan Ltd. - Assistant Vice President	7,301,186	Not applicable
Director	Lee Duen	Education: Bachelor's Degree in Chemical Engineering, National Tsing Hua University. Experience: Philips Electronics Hong Kong Limited Healthcare Department - General Manager of Greater China Business	8,449,834	Not applicable
Director	Chuan Chin	Education: Ph.D. program, Institute of Life Sciences, National Defense Medical Center Master of Microbiology, National Taiwan University College of Medicine Bachelor's Degree in Life Science, National Taiwan Normal University Experience: National Defense Medical Center Institute of Preventive Medicine - Head of Molecular Biology and Molecular Virology Team, Head of Epidemiology, Lead Researcher, and Chief of Research Department Centers for Disease Control and Prevention - Visiting Research Fellow National Institutes of Health - Visiting Research Fellow U.S. Army Medical Research Institute of Infectious Diseases - Researcher Ministry of Health Quarantine Department/Institute of Preventive Medicine/Centers for Disease Control - Consultant	420,700	Not applicable
Director	Kuang-Tsan Tsao	Education: Master of Computer Science and Information Engineering, Tamkang University Bachelor's Degree in Advertising, San Francisco Art Institute. Experience: Person in charge of Chinpaosan Group	0	Not applicable
Director	Po-Chien Hu	Education: Bachelor's Degree in Food Science and Biotechnology, National Chung Hsing University. Experience: Cowealth Medical (China) Technology Co., Ltd. - Sales Director Becton Dickinson Holding Pte., Ltd. Taiwan Branch - Manager of CAD Business Bechman Coulter Taiwan Inc., Taiwan Branch - Sales Representative	3,056,170	Not applicable
Independent Director	Yann-Ching Tsai	Education: 1. Ph.D. in Accounting, University of California, Los Angeles. 2. Bachelor's Degree in Commerce, National Taiwan University. Experience: National Taiwan University - Chairman of Department of Accounting and Director of Institute of Accounting. Accounting Research and Development Foundation of the R.O.C. - Lead Committee Member of Taiwan IFRS Committee. Accounting Research and Development Foundation of the R.O.C. - CEO of the Financial Accounting Standard Committee. Taiwan Stock Exchange Corporation - Member of Securities Listing Review Committee. Taiwan Stock Exchange Corporation - Consultant of IFRS team Consulting Meeting.	7,000	Yes
Independent Director	Ying-Tung Lau	Education: Ph. D., Rensselaer Polytechnic Institute Troy, New York Experience: Chang Gung University of Science and Technology - President Chang Gung University College of Medicine - Deputy Superintendent	0	Yes
Independent Director	Chung-Wen Tong	Education: Bachelor's Degree in Statistics, Ming Chuan University Experience: PwC Taiwan - Assistant Manager Unisys Taiwan Ltd. - CFO Shanjin Investment Ltd. Company - Representative	317,842	Yes

		Lidashiang Investment Co., Ltd. - Director		
Independent Director	Kun-Chih Chen	Education: 1. Ph.D., Business Management, University of Southern California 2. Degree in Economics, National Taiwan University Experience: National Taiwan University - Associate Professor of Accounting Department Taiwan Financial Reporting Standards Committee - Committee Member Aaeon Technology Inc. - Independent Director Ibase Technology Inc. - Independent Director School of Professional Education and Continuing Studies, NTU - Associate Dean	0	No

Rationale for consecutively nominating Mr. Yann-Ching Tsai as a candidate for independent director:

Mr. Yann-Ching Tsai is currently a professor of accounting in National Taiwan University and a consultant of Taiwan Financial Reporting Standards Committee in Accounting Research and Development Foundation. Considering his proficiency in accounting, which apparently benefits the Company, we consecutively nominate him as a candidate for independent director.

Rationale for consecutively nominating Mr. Ying-Tung Lau as a candidate for independent director:

Mr. Ying-Tung Lau is currently the president of Chang Gung University of Science and Technology and had served as the deputy superintendent of Chang Gong University College of Medicine. Considering his proficiency in medicine and biotechnology, which apparently benefits the Company, we consecutively nominate him as a candidate for independent director.

Rationale for consecutively nominating Ms. Chung-Wen Tong as a candidate for independent director:

Ms. Chung-Wen Tong has served as an independent director for three consecutive terms. Considering her proficiency in finance and business management and familiarity with related regulations, which apparently benefit the Company, we consecutively nominate him as a candidate for independent director.

Cowearth Medical Holding Co., Ltd.

Rules and Procedures of Shareholders Meeting

Passed during the shareholder meeting dated May 12, 2022

Article 1 (Preamble)

The conference rules have been established in accordance with Article 5 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to promote proper governance over the Company's shareholder meetings and to enforce supervisory and administrative functions of such meetings.

Article 2 (General provisions)

Unless otherwise specified in laws or Articles of Incorporation, shareholder meetings shall proceed according to the conference rules stated herein.

Article 3 (Convention and advice of shareholder meetings)

Unless otherwise specified in laws or the Articles of Incorporation, shareholder meetings are to be convened by the board of directors.

Any change to the form of shareholder meeting is subject to board of directors' resolution, and shall be made no later than the day on which the shareholder meeting advice is mailed.

Shareholders who hold at least 3% of outstanding shares continuously for one year or more may jointly request to have the board of directors convene an extraordinary general meeting according to the Articles of Incorporation. If the board does not issue an advice for the extraordinary general meeting within 15 days after shareholders' request, the requesting shareholders may, subject to the authority's approval, convene the extraordinary general meeting on their own accord.

The Company shall prepare a conference handbook for every shareholder meeting held, and publish the conference handbook along with other relevant information to the online information reporting system designated by the securities authority of the Republic of China (referred to as "Reporting System" below) at times and using methods that conform with laws and the Articles of Incorporation. However, if the Company reports NT\$10 billion of paid-up capital or above at the end of the most recent financial year, or if shares of the Company are held by foreign or Mainland investors for an aggregate percentage of 30% or more, as shown in the shareholders registry of the most recent annual general meeting, such electronic files shall be sent 30 days before the annual general meeting.

Hard copies of the shareholder meeting conference handbook and supplementary information also have to be prepared at least 15 days before the meeting and made accessible to shareholders at any time. These documents must be made available at the Company's premises and at the share transfer agent, and distributed on-site during the shareholders' meeting.

The Company shall provide shareholders with the aforementioned conference handbook and supplementary information on the day of shareholder meeting in the following manner:

- I. Distribute on-site, if a physical shareholder meeting is held.
- II. Distribute on-site and upload electronic files onto the video conferencing platform, if a physical shareholder meeting is held in conjunction with video conference.
- III. Upload electronic files onto the video conferencing platform, if a virtual shareholder meeting is held.

The Company is required to notify all shareholders at least 30 days before convention of annual general meeting, and at least 15 days before convention of extraordinary shareholder meeting.

The meeting advice and announcement shall include a detailed agenda. Advices can be served in electronic form with shareholders' consent. The following matters must be raised as part of regular motions with summaries explained in the meeting advice, and can not be raised in the form of special motion:

- I. Election or dismissal of directors;
- II. Amendments to the Articles of Incorporation;

- III. Capital reduction;
- IV. Cessation of status as a public company;
- V. (I) Dismissal, merger (excluding simple merger), or divestment (excluding simple divestment); (II) Establishment, amendment, or termination of any contract that involves a total lease, outsourcing, or joint management of the Company's business activities; (III) Total or major transfer of the Company's operations or properties; (IV) Acceptance for the entirety of operations or properties of an external party, which significantly affects the Company;
- VI. Permission for directors to engage in business activities that coincide with those of the Company, whether for directors' own benefits or for the benefits of others;
- VII. Full or partial distribution of the Company's earnings through issuance of new shares;
- VIII. Distribution of statutory reserve and capital reserve from shares issued at premium or gifts received to existing shareholders in the form of new shares;
- IX. Private placement of securities with equity characteristics.

If the shareholder meeting advice has already notified upfront of a full re-election of directors with specific duty commencement date, then no further changes can be made to the duty commencement date, whether through special motion or otherwise, when re-election is completed during the meeting. Shareholders that own more than 1% of the Company's outstanding shares before the book closure period are entitled to propose, in writing or through electronic form, motions for discussion in annual general meetings. The board of directors shall accept shareholders' proposals as motion except in any of the following circumstances: (a) The proposing shareholder holds less than 1% of total outstanding shares; (b) The proposed motion can not be resolved in the shareholder meeting; (c) More than one proposal was raised by the shareholder, however, suggestions that are intended to enhance the Company's efforts toward public interest or social responsibilities may still be accepted as motions by the board of directors; (d) The motion exceeds 300 words; or (e) The motion is proposed outside of the acceptance period announced to public.

Article 4 (Proxy form)

According to the Articles of Incorporation, shareholders may appoint proxies to attend shareholder meetings on their behalf by issuing proxy forms using the format approved by the Company. The proxy form shall specify the scope of authority delegated to the proxy, and indicate that the proxy arrangement pertains only to the specific shareholder meeting.

In terms of format, the proxy form shall at least include a set of completion instructions, a list of actions that the proxy may perform on the shareholder's behalf, and profile of the proxy and proxy form acquirer (if applicable). Proxy forms shall be provided to all shareholders at the same time when the shareholder meeting advice is sent.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be delivered to the Company's registered address or to the location specified in the shareholder meeting advice or proxy form at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a written statement afterwards to withdraw the previous proxy arrangement.

Should the shareholder decide to attend shareholder meeting personally after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. This notice shall explain the reason for withdrawal, such as being inadequate or ineligible to exercise rights on shareholder's behalf or any other reasons. If the shareholder fails to withdraw proxy arrangement before the due date, vote of the proxy attendee shall prevail.

Should the shareholder decide to attend virtual shareholder meeting after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, vote of the proxy attendee shall prevail.

Article 5 (Venue and time of shareholder meetings)

Shareholder meeting shall be convened at the time and venue designated by the board of directors. Unless otherwise regulated by laws, shareholder meetings shall be convened within the borders of The Republic of China. Shareholder meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings must not commence anytime earlier than 9AM or later than 3PM. Independent directors' opinions shall be fully taken into consideration when choosing the meeting venue and time. If the board of directors resolves to convene shareholder meeting outside Taiwan, the Company shall, within two days after board resolution or after shareholders obtain convention permit from relevant authorities of The Republic of China, report the decision to Taipei Exchange (or Taiwan Stock Exchange Corporation, if applicable), and seek approval. For shareholder meetings that are convened outside The Republic of China, the Company shall appoint an institution domiciled within The Republic of China that has been approved by the securities authority of The Republic of China and Taipei Exchange (or Taiwan Stock Exchange Corporation, if applicable) to assist with administrative affairs relating to shareholder meetings (including but not limited to shareholders' proxy votes). Virtual shareholder meetings are not subject to the location restrictions stated in the preceding Paragraph.

Article 6 (Preparation of attendance logs and documents)

The meeting advice shall specify details such as admission time for shareholders, proxy form acquirers, and proxies (collectively referred to as shareholders below), admission location, and important notes where relevant.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with adequate and competent personnel. In the case of virtual shareholder meeting, admission of meeting participants shall take place on the video conferencing platform within the 30 minutes before meeting commences; shareholders who complete the admission are deemed to have attended the shareholder meeting personally.

The Company shall provide an attendance log to record attendance of shareholders or proxies thereof (collectively referred to as shareholders below); alternatively, attendance cards may be presented to signify shareholders' presence at the meeting.

Shareholders who attend the meeting shall be given a copy of the conference handbook, annual report, attendance pass, opinion slip, motion ballot, and any materials relevant to the meeting as required by laws or the Articles of Incorporation. Additional ballots shall be prepared if director election is also being held during the meeting.

Shareholders shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.

Where the shareholder is a government agency or corporate entity, more than one representative may attend shareholder meetings on their behalf. Corporate entities that have been designated as proxy attendees can only appoint one representative to attend shareholder meeting.

In the case of virtual shareholder meeting, shareholders who wish to attend the meeting by way of video conference shall register their spot with the Company at least two days before the meeting.

In the case of virtual shareholder meeting, the Company shall upload all relevant data such as the conference handbook and annual report onto the video conferencing platform at least 30 minutes before the meeting commences, and disclose continuously until the meeting ends.

Article 6-1 (Mandatory details for virtual shareholder meeting advice)

When hosting a virtual shareholder meeting, the Company shall specify the following details in the shareholder meeting advice:

- I. The methods by which shareholders may participate in the virtual meeting and exercise rights.
- II. Methods of resolving malfunction of the video conferencing platform or discontinuance of live stream due to natural disaster, manmade incident, or other force majeure event, which must include

at least the following:

- (I) The time or date that the meeting will be postponed until, if the above disruption persists and can not be resolved in time.
- (II) The restriction that shareholders who did not register for the original virtual shareholder are unable to participate in the postponed/adjourned meeting.
- (III) If a physical shareholder meeting is held in conjunction with video conference and the video conference discontinues but the number of shares represented on-site still exceeds the legal minimum after excluding those who participated via video conference, the number of shares represented by all who participate via video conference shall be added to the total number of shares represented at the meeting, but are considered to have waived their rights to vote on all motions of the current shareholder meeting.
- (IV) The Company's approach to the situation where outcomes of all regular motions have been concluded but the meeting has yet to progress into special motions.

III. Appropriate alternative measures for shareholders who have difficulties participating in the shareholder meeting via video conference.

Article 7 (Chairperson and participants)

Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If there is no Vice Chairman or if the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate or if the delegate is also unavailable, one shall be elected among the remaining directors to act on behalf. Where the meeting chairperson described in the preceding Paragraph is to be assumed by a director, the director must be on the board for more than six months and possess adequate understanding of the Company's financial and business operations. The same applies if the chairperson is a representative of a corporate director.

For shareholder meetings convened by any authorized party other than the board of directors, the convener shall serve as the chairperson. If there are two or more conveners at the same time, one shall be appointed among themselves to chair the meeting.

Shareholder meetings that are convened by the board of directors should be chaired by the Chairman and attended personally by more than half of total directors with at least one independent director present, or have at least one representative from each functional committee present at the meeting. Attendance of the above participants shall be recorded in detail in shareholder meeting minutes.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.

Article 8 (Statutory minimum representation in shareholder meeting)

Attendance in a shareholder meeting is calculated based on the number of shares represented. The number of shares represented in a meeting is calculated based on attendance log records or the attendance cards collected and the number of shares represented on the video conferencing platform, plus the number of shares that have voting rights exercised in writing or through electronic means.

The chairperson should announce commencement of meeting as soon as it is due, and announce the number of shares represented in the meeting as well as the number of shares that are not entitled to voting rights. If attending shareholders fail to reach the required level of representation when shareholder meeting is due to convene or if representation falls below the statutory minimum as the meeting progresses, the chairperson may, unless otherwise specified in the Articles of Incorporation, announce to postpone the meeting up to two times, for a period totaling no more than one hour. The chairperson shall dismiss the meeting if attending shareholders still represent less than the required number of shares after two postponements. In the case of virtual shareholder meeting, the Company shall also announce dismissal of the meeting over the video conferencing platform. If there is still a need to convene shareholder meeting, the meeting shall be re-convened according to the Articles of Incorporation. In the case of virtual shareholder meeting, shareholders who wish to attend the meeting by way of video conference shall re-register their spot with the Company in accordance with Article 6.

Article 9 (Discussion of motions)

For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting agenda. All proposed motions (including special motions and amendments to existing motions) must be voted on a case-by-case basis. The agenda can not be changed unless resolved during the shareholder meeting.

Paragraph 1 shall apply mutatis mutandis to shareholder meetings that are convened by any entitled party other than the board of directors.

In either of the two situations described in Paragraph 1 and Paragraph 2, the chairperson can not dismiss the meeting while a motion (including special motion) is still in progress. If the chairperson violates conference rules by dismissing the meeting when not allowed to do so, other members of the board shall immediately assist attending shareholders in electing another chairperson that has the support of more than half of voting rights represented on-site to continue the meeting.

The chairperson must allow adequate time to explain and discuss various motions, amendments, or special motions proposed during the meeting. The chairperson may announce to discontinue further discussions if the issue in question is considered to have been sufficiently discussed to proceed with voting, and shall allocate ample time to vote.

The Company shall record the entirety of shareholder meeting, including shareholders' admission, voting, and vote counting, in audio and video. All recorded files shall be retained for at least one year, or until the end of litigation if the meeting gives rise to any lawsuit concerning assembly or resolution. The above recordings may be kept in electronic form.

In the case of virtual shareholder meeting, the Company shall record and retain details of shareholders' registration, admission, queries, votes, and the final vote count. The entire meeting proceeding shall also be recorded non-stop in audio and video.

The above-mentioned data and recordings shall be kept properly for as long as the Company exists; a copy of the recording shall also be retained by the video conference service provider.

Article 10 (Shareholders' opinions)

Shareholders who wish to speak during the meeting must produce an opinion slip detailing the topic, shareholder ID (or the attendance ID serial) and shareholder's name. The order of shareholders' comments is determined by the chairperson.

Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record.

Each shareholder shall speak no more than two times, for 5 minutes each, on the same motion unless otherwise agreed by the chairperson. The chairperson may stop shareholders from speaking if they violate any terms of the conference rules or speak outside the discussed topic.

While a shareholder is speaking, other shareholders can not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. The chairperson shall restrain any person who violates this process.

Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.

After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

In the case of virtual shareholder meeting, shareholders who participate by way of video conference may raise queries through text over the video conferencing platform at any time after the chairperson announces commencement of meeting until the meeting is adjourned. These shareholders may not raise more than two queries of 200 words each per motion, and are not subject to the rules outlined in Paragraphs 1 to 5.

Article 11 (Calculation of voted shares and avoidance of conflicting interests)

Unless otherwise specified in the Articles of Incorporation, voting in a shareholder meeting shall proceed according to the rules stated below and in Article 12.

Votes in a shareholder meeting are calculated based on the number of shares represented.

Shares that do not carry voting rights, as governed by the Articles of Incorporation or laws, are excluded from the calculation of outstanding shares when voting for the final resolution.

Shareholders shall abstain from voting on any motion discussed during the shareholder meeting that concern their self-interest and is likely to pose a conflict to the Company's interests. Furthermore, these shareholders may not exercise voting rights on other shareholders' behalf for the particular motion.

The number of shares held by shareholders who are not permitted to vote, as described in the preceding Paragraph, shall be excluded from the calculation of total voting rights. However, for the calculation of minimum attendance requirement, these shares still count toward the total number of shares represented at shareholder meeting.

Shareholders are entitled to one vote per share, except in circumstances where voting rights are restricted, as outlined in the Articles of Incorporation or the conference rules.

With the exception of trust enterprises organized in accordance with the laws of The Republic of China or share transfer agents approved under the Public Companies section of the Articles of Incorporation, a proxy may not represent more than 3% of total voting rights as of book closure in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Article 12 (Voting and resolution methods)

The Company must give shareholders the option to exercise voting rights in writing or using the electronic method during shareholder meetings. Instructions for exercising voting rights in writing or through electronic means must be stated clearly in writing on the meeting advice. Shareholders who opt to exercise voting rights in writing or using electronic method, as mentioned above, are considered to have participated in the shareholder meeting in person. However, these shareholders are not entitled to be notified or exercise voting rights in any special motion and/or any amendment to the original motion that may arise during the shareholder meeting. For the avoidance of doubt, shareholders who opt to exercise voting rights through these methods are considered to have waived their rights to be notified or vote on any special motion and/or any amendment to the original motions that may arise during the shareholder meeting.

Written and electronic voting instructions, as mentioned in the preceding Paragraph, shall be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, this excludes situations where a proper declaration is issued to withdraw the previous arrangement.

Shareholders who wish to attend the shareholder meeting in person or via video conferencing after the Company has received their requests to exercise voting rights in writing or using electronic method in the manner described in the preceding Paragraph are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If a shareholder exercises vote in writing or through electronic means and at the same time delegates a proxy to attend shareholder meeting, the voting decision exercised by the proxy shall prevail.

Unless otherwise regulated in the Articles of Incorporation or the conference rules, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. When voting, the chairperson or delegate thereof shall announce the total number of voting rights represented by attending shareholders for every motion discussed, and have shareholders vote on a case-by-case basis. Details including the number of votes in favor, against, and abstained for each discussion shall be uploaded onto MOPS on the same day the shareholder meeting ends.

In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The chairperson shall appoint ballot examiners and ballot counters to support the voting process. The ballot examiner must be a shareholder.

Ballots are to be counted openly at the shareholder meeting. Outcomes of the vote, including the final tally, must be announced on-site and recorded in minutes.

In the case of virtual shareholder meeting, shareholders who participate via video conference shall vote on various motions and elections over the video conferencing platform, and may do so from the time the chairperson announces commencement of meeting until the voting deadline. Voting rights that are not exercised past the deadline are deemed to have abstained.

In the case of virtual shareholder meeting, votes shall be collectively counted after the chairperson announces that the voting session has ended. Outcomes of the motion and election are to be announced immediately.

If a physical shareholder meeting is held in conjunction with video conference, shareholders who wish to attend the physical meeting personally after registering for the video conference in accordance with Article 6 will be required to withdraw their registration using the same method by which the registration was submitted in the first place by no later than two days before the shareholder meeting. Shareholders who do not withdraw registration in time may only participate in the shareholder meeting via video conference.

Shareholders who exercise voting rights in writing or using electronic method without expressing intent to withdraw and have participated in the shareholder meeting via video conference may no longer vote on the regular motion or amendment thereof, except in the case of special motions.

Article 13 (Election or dismissal)

Shareholder meetings that involve election or dismissal of directors shall proceed according to the Articles of Incorporation. Results of the election or dismissal, including the list of directors elected and not elected and the final tally, must be announced on-site.

Outcomes and ballots of the election or dismissal mentioned in the preceding Paragraph shall be sealed and signed by both the ballot examiner and meeting chairperson, and retained for at least one year or until the end of litigation if the meeting gives rise to any lawsuit concerning its assembly or resolution.

Article 14 (Shareholder meeting minutes)

Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder or announced by no later than 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form, and shall be published onto the reporting system in a manner that complies with laws.

The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding, and voting results of various motions (including weight). If director election is held during the meeting, the minutes shall disclose the number of votes received by each candidate. Minutes shall be retained indefinitely for as long as the Company exists.

In the case of virtual shareholder meeting, the meeting minutes shall record not only the details mentioned in the preceding Paragraph, but also: the start and end time of meeting; the form of meeting; name of chairperson and minutes taker; methods of resolving malfunction of the video conferencing platform or discontinuance of live stream due to natural disaster, manmade incident, or other force majeure event; and how disruptions are handled.

When hosting a virtual shareholder meeting, the Company shall proceed according to the rules outlined in the preceding Paragraph and state in the meeting minutes any alternative measures for shareholders who have difficulties participating in the shareholder meeting via video conference.

Article 15 (Order in the meeting)

Officers of the shareholder meeting must wear proper identification or arm badge.

Disciplinary officers or security staff may be appointed to help maintain order in the shareholder meeting under chairperson's command. While maintaining order in the meeting, all disciplinary officers and security staff are required to wear arm badges or identifications that identify their role as "Security."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.

The chairperson may instruct security staff to remove shareholders who continue to violate conference rules or obstruct meeting proceeding despite being warned.

Article 16 (Recess and resumption of meeting)

The chairperson may put the meeting in recess at appropriate times. In the event of force majeure, the chairperson may suspend the meeting temporarily and resume at another time.

If the shareholder meeting is unable to resolve all scheduled motions (including special motions) before the venue is due for return, participants may resolve to continue the meeting at an alternative location.

Article 17 (External announcements)

On the day of the shareholder meeting, the Company shall disclose information on the number of shares acquired by proxy form acquirers, the number of shares represented by proxies, and the number of shares with voting rights exercised in writing or through the electronic method at the meeting venue using the prescribed format. In the case of virtual shareholder meeting, the Company shall upload the above data onto the video conferencing platform at least 30 minutes before the meeting commences, and disclose continuously until the meeting ends.

Upon commencement of a virtual shareholder meeting, the total number of shares represented at the meeting shall be disclosed over the video conferencing platform. The same requirement applies whenever the total number of shares and voting rights are counted over the course of the meeting.

The Company must disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 18 (Information disclosure for virtual meeting)

In the case of virtual shareholder meeting, the Company shall upload the outcome of each motion and election over the video conferencing platform in a manner that conforms with rules immediately at the end of each voting session, and disclose continuously for at least 15 minutes after adjournment is announced by the chairperson.

Article 19 (Location of chairperson and minutes taker for virtual shareholding meeting)

When hosting a virtual shareholder meeting, both the chairperson and the minutes taker must be at the same domestic location.

Article 20 (Event of signal disruption)

If a virtual shareholder meeting encounters any malfunction of the video conferencing platform or any disruption of live stream persistently for 30 minutes or longer due to natural disaster, manmade incident, or other force majeure event, the Company shall postpone or re-convene the meeting within the next 5 days, and is not subject to Article 182 of The Company Act.

If meeting is to be postponed or prematurely adjourned in any of the situations described in the preceding Paragraph, shareholders who did not register for the original virtual shareholder are unable to participate in the postponed/adjourned meeting.

If meeting is to be postponed or prematurely adjourned in any of the situations described in Paragraph 1, shareholders who registered and completed admission for the original virtual shareholder meeting but do not participate in the postponed/adjourned meeting will still have the number of shares, eligible votes, and exercised votes counted towards total shares and votes during the postponed/adjourned meeting.

When postponing or resuming a virtual shareholder meeting in any of the situations described in

Paragraph 1, any motions that already completed the voting and vote count with the final outcome announced and any director or supervisor election that has already been concluded during the meeting need not be discussed or resolved again.

If a physical shareholder meeting is held in conjunction with video conference and the video conference discontinues for any of the reasons described in Paragraph 1 but the number of shares represented on-site still exceeds the statutory minimum after excluding those who participated via video conference, the shareholder meeting shall proceed as normal and need not be postponed or prematurely adjourned in the manner described in Paragraph 1.

If the meeting is to proceed as normal in the situation outlined above, shareholders who participate in the meeting via video conference shall have all of their shares counted toward the total number of shares represented at the meeting, but are considered to have waived the right to vote on all motions of the shareholder meeting.

If meeting is postponed or prematurely adjourned for any of the situations outlined in Paragraph 1, the timelines of various preparation works specified in Paragraph 7, Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies shall apply to the date of the original shareholder meeting.

The timelines mentioned in the latter part of Article 12 and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies shall apply to the date of the meeting postponed/prematurely adjourned under Paragraph 2.

Article 21 (Establishment and amendment procedures)

The conference rules shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

Article 22 (Regulatory changes)

For any subsequent changes in the laws of The Republic of China that are relevant to the rules stated herein, the amended laws shall take precedent over the rules. In which case, the Company shall amend the rules to conform with the new regulation and propose the amendment for resolution during the upcoming shareholder meeting.

**THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

COWEALTH MEDICAL HOLDING CO., LTD.

- Incorporated November 4, 2005 -

(as adopted by a Special Resolution dated as of May 12, 2022)

**THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF
COWEALTH MEDICAL HOLDING CO., LTD.**

(as adopted by a Special Resolution dated as of May 12, 2022)

- 1 The name of the Company is Cowealth Medical Holding Co., Ltd.
- 2 The registered office of the Company will be situate at the offices of Suite 102, Cannon Place, North Sound Rd., George Town, Grand Cayman, Cayman Islands with postal address P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands, or at such other place as the Directors may determine.
- 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act (As Revised) or as the same may be revised from time to time, or any other law of the Cayman Islands.
- 4 The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
- 5 The authorised capital of the Company is New Taiwan Dollars 1,575,000,000.00 divided into 157,500,000 shares of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Act (As Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
- 6 Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

– Remainder of Page Intentionally Left Blank –

**THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
COWEALTH MEDICAL HOLDING CO., LTD.**

(as adopted by a Special Resolution dated as of May 12, 2022)

1. Interpretation

1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

“Acquisition”	means a transaction of acquiring shares, business or assets of another company and the consideration for the transaction being the shares, cash or other assets, as defined in the R.O.C. Enterprise Mergers and Acquisitions Law.
“Applicable Public Company Rules”	means the R.O.C. laws, rules and regulations affecting public reporting companies or companies listed on any R.O.C. stock exchange or securities market, including, without limitation, the relevant provisions of the Company Law, Securities and Exchange Law, the Enterprise Mergers and Acquisitions Law, the rules and regulations promulgated by the Ministry of Economic Affairs, the rules and regulations promulgated by the Financial Supervisory Commission (“FSC”), the rules and regulations promulgated by the GreTai Securities Market of Taiwan (“GTSM”) (or, if applicable, the Taiwan Stock Exchange (“TSE”)) and the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area and its relevant regulations.
“Annual Net Income”	means the audited annual net profit of the Company in respect of the applicable year.
"Articles"	means these articles of association of the Company.
"Capital Reserve"	means the income derived from the issuance of new shares at a premium, or from endowments received by the company.
"Company"	means the above named company.
"Directors"	means the directors for the time being of the Company (which, for clarification, includes any and all Independent Director(s)).

"Dividend"	includes an interim dividend.
"Electronic Record"	has the same meaning as in the Electronic Transactions Act.
"Electronic Transactions Act"	means the Electronic Transactions Act (As Revised) of the Cayman Islands.
"Independent Directors"	means the Directors who are elected by the Members at a general meeting and designated as "Independent Directors" for the purpose of Applicable Public Company Rules which are in force from time to time.
"Legal Reserve"	means after the company has covered its losses and all taxes have been paid and at the time of distributing surplus profits, a certain percent of such profits that the Company shall first be set aside as Legal Reserve in accordance with the Applicable Public Company Rules. However when the accumulated Legal Reserve has reached the total paid-in capital of the Company, this requirement shall not apply.
"Market Observation Post System"	means the internet information reporting system designated by the FSC.
"M&A"	means Merger, Acquisition and Spin-off.
"Member"	has the same meaning as in the Statute.
"Memorandum"	means the memorandum of association of the Company.
"Merger"	means a transaction whereby (i) all of the companies participating in such transaction are dissolved, and a new company is incorporated to generally assume all rights and obligations of the dissolved companies or (ii) all but one company participating in such transaction are dissolved, and the surviving company generally assumes all rights and obligations of the dissolved companies, and in each case the consideration for the transaction being the shares of the surviving or newly incorporated company or any other company, cash or other assets.
"Short-form Merger"	means (i) a Merger in which one of the merging companies holds issued shares that together represent at least 90% of the voting power of the outstanding shares of the other merging company, or (ii) that subsidiaries of the same parent company holding 90% or more of the issued and outstanding shares of such respective subsidiaries merge with one another.
"Non TWSE-Listed or TPEX-Listed Company"	refers to a company whose shares are neither listed on the TWSE or the Taipei Exchange.
"Ordinary Resolution"	means a resolution passed by a simple majority of votes

	cast by the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.
"Private Placement"	means obtaining subscriptions for, or the sale of, Shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including Shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors or approved by the Company or such authorized person, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of Shares under Article 11 of these Articles.
"Register of Members"	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"Registered Office"	means the registered office for the time being of the Company.
"R.O.C."	means the Republic of China.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Share" and "Shares"	means a share or shares in the Company.
"Share Certificate" and "Share Certificates"	means a certificate or certificates representing a Share or Shares.
"Share Exchange"	means an act whereby the shareholders of a company transfer all of the company's issued shares to another company, such company issue its shares or pays cash or transfers other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Public Company Rules.
"Short-form Share Exchange"	means a parent company acquires, by way of a Share Exchange, its subsidiary company wherein at least 90% of the voting power of the outstanding shares of the subsidiary company are held by the parent company.
"Solicitor"	means any Member, a trust enterprise or a securities agent mandated by Member(s) who solicits an instrument of proxy from any other Member to appoint him/it as a proxy to attend and vote at a general meeting instead of the appointing Member pursuant to the Applicable Public Company Rules.
"Special Resolution"	means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do,

vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given.

“Spin-off”

refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company.

"Short-form Spin-off"

means a parent company effects a Spin-off with its subsidiary company wherein at least 90% of the voting power of the outstanding shares of the subsidiary company are held by the parent company, and whereby the parent company is the transferee company assuming the business and the subsidiary company is the divided company acquiring the total amount of consideration for the business transferred.

"Statute"

means the Companies Act (As Revised) of the Cayman Islands, as amended, and every statutory modification or re-enactment thereof for the time being in force.

**“Subsidiary” and
“Subsidiaries”**

means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company or (iii) a company of which the management of the personnel, financial, or business operation has been directly or indirectly controlled by the Company.

**“Supermajority
Resolution”**

means (i) a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total outstanding Shares of the Company or (ii) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares of the Company, but more than half of the total outstanding Shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the Shares present and

	entitled to vote on such resolution.
“TDCC”	means the Taiwan Depository & Clearing Corporation.
"Treasury Shares"	means a Share held in the name of the Company as a treasury share in accordance with the Statute.
"Video Communication Facilities"	means video, video-conferencing, internet or online conferencing applications and/or any other video-communication, internet or online conferencing application or video telecommunications facilities by means of which all persons participating in a meeting are capable of hearing and be heard by each other.
"Virtual Meeting"	means any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including, without limitation, the chairperson of such meeting and any Directors) are permitted to attend and participate solely by means of Video Communication Facilities.

1.2 In the Articles:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) words importing persons include corporations;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (g) headings are inserted for reference only and shall be ignored in construing the Articles; and
- (h) Section 8 and 19(3) of the Electronic Transactions Act shall not apply.

2 Commencement of Business

- 2.1 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit. The Company shall operate its business in compliance with the Applicable Public Company Rules and business ethics, and may perform actions that promote the public interest to fulfil the social responsibility of the Company in accordance with the Applicable Public Company Rules and business ethics.
- 2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

3 Issue of Shares

- 3.1 Subject to the provisions, if any, in the Statute, the Memorandum, the Articles and Applicable Public Company Laws (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to sub-divide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary, Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided.
- 3.2 The Company shall not issue Shares to bearer.
- 3.3 The Company shall not issue any unpaid Shares or partly paid-up Shares.

4 Register of Members

- 4.1 The Directors shall keep, or cause to be kept, the Register of Members at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register of Members shall be kept at the Registered Office.
- 4.2 If the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Directors think fit. The principal register and the branch register(s) shall together be treated as the Register of Members for the purposes of the Articles.
- 4.3 For so long as any Shares are listed on the GTSM (or TSE, as applicable), title to such listed Shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the GTSM (or TSE, as applicable) that are or shall be applicable to such listed Shares and the Register of Members maintained by the Company in respect of such listed Shares may be kept by recording the particulars required by section 40 of the Statute in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the GTSM (or TSE, as applicable) that are or shall be applicable to such listed Shares.

5 Closing Register of Members or Fixing Record Date

- 5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other purpose, the Directors shall determine the period that the Register of Members shall be closed for transfers and such period shall not be less than the minimum period of time, as prescribed by the Applicable Public Company Rules.
- 5.2 Subject to Article 5.1 hereof, in lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the Directors designate a record date in accordance with this Article 5.2, the Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.

- 5.3 The rules and procedures governing the implementation of book closed periods, including notices to Members in regard to book closed periods, shall be in accordance with policies adopted by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

6 Share Certificates

- 6.1 Subject to the provisions of the Statute, the Company shall issue Shares without printing Share Certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules. A Member shall only be entitled to a Share Certificate if the Directors resolve that Share Certificates shall be issued. Share Certificates, if any, shall be in such form as the Directors may determine. Share Certificates shall be signed by one or more Directors authorised by the Directors. The Directors may authorise Share Certificates to be issued with the authorised signature(s) affixed by mechanical process. All Share Certificates shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All Share Certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles. No new Share Certificate shall be issued until the former Share Certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
- 6.2 In the event that the Directors resolve that Share Certificates shall be issued pursuant to Article 6.1 hereof, the Company shall deliver the Share Certificates to the subscribers within thirty days from the date such Share Certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such Share Certificates pursuant to the Applicable Public Company Rules.
- 6.3 No Shares may be registered in the name of more than one Member.
- 6.4 If a Share Certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old Share Certificate.

7 Preferred Shares

- 7.1 The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.
- 7.2 Prior to the issuance of any Preferred Shares approved pursuant to Article 7.1 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:
- (a) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
 - (b) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;

- (d) Other matters concerning rights and obligations incidental to Preferred Shares; and
- (e) The method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.

8 Issuance of New Shares

- 8.1 The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.
- 8.2 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its capital by issuing new Shares for cash, the Company shall make a public announcement and notify each Member that he/she/it is entitled to exercise a pre-emptive right to purchase his/her/its pro rata portion of any new Shares issued in the capital increase in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notices to the Members that if any Member fails to purchase his/her/its pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to purchase the newly-issued Shares. Subject to Article 6.3, in the event that Shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one newly-issued Share, Shares held by several Members may be calculated together for joint purchase of newly-issued Shares or for purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may offer any unsubscribed new Shares to be issued to the public in Taiwan or to specific person or persons according to the Applicable Public Company Rules.
- 8.3 Where the Company increases its capital in cash by issuing new Shares in Taiwan, the Company shall allocate 10% of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, as determined by the Directors according to the Applicable Public Company Rules and/or the instruction of the FSC or GTSM (or TSE, as applicable), for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.
- 8.4 Members' rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall be in accordance with policies established by the Company from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 8.5 The pre-emptive right of Members provided under Article 8.2 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes: (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company; (b) in connection with meeting the Company's obligations under Share subscription warrants and/or options, including those referenced in Article 11; (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares; (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; (e) in connection with a Private Placement; or (f) in connection with the issue of Restricted Shares in accordance with Article 8.7.

- 8.6 The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with policies established by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 8.7 The Company may, with the approval of a Supermajority Resolution in a general meeting, issue new Shares with restricted rights to the employees of the Company ("**Restricted Shares**") and the provision of Article 8.2 shall not apply to any such issue of Restricted Shares. The terms of issue of Restricted Shares, including, but not limited to the number, issue price and issue conditions shall comply with the Applicable Public Company Rules.
- 8.8 Subject to the provisions of the Statute, the Company may, by resolutions of the Members passed at a general meeting attended by Members who represent a majority of the outstanding Shares and approved by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution, conduct Private Placements, and shall comply with the Applicable Public Company Rules to determine, *inter alia*, the purchaser(s), the types of securities, the determination of the offer price, and the restrictions on transfer of securities of such Private Placement.
- 8.9 When issuing new Shares, the Company shall immediately request each of the subscribers for the consideration of the subscription. Where Shares are issued at the price higher than par value, the premium and the par value shall be collected at the same time for subscribing the Shares. Where subscriber delays payable payment for subscribing the Shares, the Company shall designate a cure period of not less than one month by serve a notice on him/her requiring such payment. The Company shall also declare in the notice that in case of default of payment within the said cure period, the right to subscribe new Shares shall be forfeited.
- 8.10 After the Company has made such request pursuant to the preceding Article, the subscribers who fail to settle the outstanding payment accordingly shall forfeit their rights to subscribe the Shares and the Shares subscribed by them in the first place shall be otherwise offered by the Company.

9 Transfer of Shares

- 9.1 Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company shall be freely transferable.
- 9.2 Subject to these Articles and the Applicable Public Company Rules, any Member may transfer all or any of his Shares by an instrument of transfer.
- 9.3 The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.
- 9.4 Notwithstanding Article 9.2 above, transfers of Shares which are listed on the GTSM (or TSE, as applicable), may be effected by any method of transferring or dealing in securities permitted by GTSM (or TSE, as applicable), which is in accordance with the Applicable Public Companies Rules as appropriate and which have been approved by the Board for such purpose.

10 Repurchase of Shares

- 10.1 Subject to the provisions of the Statute, the Memorandum, and the Articles, the Company may purchase its own Shares listed on the GTSM (or TSE, as applicable) on such terms as are approved by resolutions of the Directors passed at a meeting of the board of Directors attended by more than two-thirds of members of the board and approved by a majority of the Directors present at such meeting, provided that any such repurchase shall be in accordance with the Applicable Public Company Rules.

In the event that the Company proposes to purchase any Shares listed on the GTSM (or TSE, as applicable) pursuant to this Article, the approval of the board of Directors and the implementation thereof shall be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the repurchase proposal for any reason.

- 10.2 The board of Directors may, prior to the purchase or redemption of any Share under Article 10.1, determine that such Share shall be held as Treasury Share.
- 10.3 Subject to the provisions of the Statute, these Articles and the Applicable Public Company Rules, the Directors may determine to cancel a Treasury Share or transfer a treasury Share to the employees on such terms as they think proper (including, without limitation, for nil consideration).
- 10.4 Notwithstanding Article 10.3, if the Company repurchases any Shares traded on the GTSM (or the TSE, as applicable) and hold such Shares as Treasury Shares (the "**Repurchased Treasury Shares**"), any proposal to transfer the Repurchased Treasury Shares to any employees of the Company by the Company at the price below the average repurchase price paid by the Company for Repurchased Treasury Shares (the "**Average Purchase Price**") shall require the approval of a resolution passed by two-thirds or more of the Members present at the next general meeting who hold a majority of the total number of the Company's outstanding shares as at the date of such general meeting, and shall not be brought up as an ad hoc motion.
- 10.5 The aggregate number of Treasury Shares to be transferred to employees pursuant to Article 10.4 shall not exceed 5 percent of the Company's total issued and outstanding shares as at the date of transfer of any Treasury Shares and the aggregate number of Treasury Shares transferred to any individual employee shall not exceed 0.5 percent of the Company's total issued and outstanding shares as at the date of transfer of any Treasury Shares to such employee. The Company may impose restrictions on the transfer of such Shares by the employee for a period of no more than two years.
- 10.6 Notwithstanding anything to the contrary contained in Article 10.1 to 10.5, and subject to the Statute and the Applicable Public Company Rules, the Company may, with the approval of an Ordinary Resolution, compulsorily redeem or repurchase Shares by the Company for cancellation, provided that such redemption or repurchase will be effected pro rata based on the percentage of shareholdings of the Members, unless otherwise provided for in the Statute or the Applicable Public Company Rules. Payments in respect of any such redemption or repurchase, if any, may be made either in cash or by distribution of specific assets of the Company, as specified in the Ordinary Resolution approving the redemption or repurchase, provided that (a) the relevant Shares will be cancelled upon such redemption or repurchase and will not be held by the Company as Treasury Shares, and (b) where assets other than cash are distributed to the Members, the type of assets, the value of the assets and the corresponding amount of such substitutive distribution shall be (i) assessed by an ROC certified public account before being submitted to the Members for approval and (ii) agreed to by the Member who will receive such assets.

11 Employee Incentive Programme

- 11.1 The Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the Directors from time to time in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

- 11.2 Options, warrants or other similar instruments issued in accordance with Article 11.1 above are not transferable save by inheritance.
- 11.3 The Company may enter into share option agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 11.1 above, whereby employees may subscribe, within a specific period of time, a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- 11.4 Directors of the Company and its Subsidiaries shall not be eligible for the employee incentive programmes under this Article 11, provided that directors who are also employees of the Company or its Subsidiaries may participate in an employee incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

12 Variation of Rights of Shares

- 12.1 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares.
- 12.2 The provisions of the Articles relating to general meetings shall apply to every class meeting of the holders of the same class of the Shares.
- 12.3 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

13 Transmission of Shares

- 13.1 If a Member dies, the survivor or survivors where he was a joint holder, or his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share which had been jointly held by him.
- 13.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) shall give written notice to the Company and, upon such evidence being produced as may from time to time be required by the Directors, may elect, by a notice in writing sent by him, either to become the holder of such Share or to have some person nominated by him become the holder of such Share.

14 Amendments of Memorandum and Articles of Association and Alteration of Capital

- 14.1 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:
- (a) change its name;
 - (b) alter or add to these Articles;

- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; and
- (e) increase its authorised share capital by such sum as the resolution shall prescribe or cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person, provided that in the event of any change to its authorised share capital, the Company shall also procure the amendment of its Memorandum by the Members to reflect such change.

14.2 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without a Supermajority Resolution:

- (a) sell, transfer or lease of whole business of the Company or other matters which has a material effect on the Members' rights and interests;
- (b) discharge or remove any Director;
- (c) approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company's business;
- (d) effect any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;
- (e) effect any Merger (other than a Short-form Merger), Spin-off (other than a Short-form Spin-off) or Private Placement, provided that any Merger which falls within the definition of "merger and/or consolidation" under the Statute shall also be subject to the requirements of the Statute;
- (f) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;
- (g) Share Exchange;
- (h) transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (i) acquire or assume the whole business or assets of another person, which has material effect on the Company's operation.

14.3 Subject to the provisions of the Statute, the provisions of these Articles, and the quorum requirement under the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass

- (a) an Ordinary Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
- (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above.

14.4 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without passing a resolution adopted by a majority of not less than two-thirds of the total number of votes represented by the issued shares of the Company:

- (a) enter into a Merger, in which the Company is not the surviving company and is proposed to be struck-off and thereby dissolved, which results in a delisting of the Shares on the TPEX, and the surviving or newly incorporated company is a Non TWSE-Listed or TPEX-Listed Company;
- (b) make a general transfer of all the business and assets of the Company, which results in a delisting of the Shares on the TPEX, and the assigned company is a Non TWSE-Listed or TPEX-Listed Company;
- (c) be acquired by another company as its wholly-owned subsidiary by means of a Share Exchange, which results in a delisting of the Shares on the TPEX, and the acquirer is a Non TWSE-Listed or TPEX-Listed Company; or
- (d) carry out a Spin-off, which results in a delisting of the Shares on the TPEX, and the surviving or newly incorporated spun-off company is a Non TWSE-Listed or TPEX-Listed Company.

15 Registered Office

Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

16 General Meetings

- 16.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 16.2 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, and shall specify the meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented.
- 16.3 The Company shall hold an annual general meeting every year.
- 16.4 The general meetings shall be held at such time and place as the Directors shall appoint, or by Virtual Meeting or in any manner prescribed by the Applicable Public Company Rules, provided that unless otherwise provided by the Statute or this Article 16.4, the general meetings shall be held in Taiwan. For general meetings to be held outside Taiwan, the Company shall comply with the relevant procedures and approvals prescribed by the relevant authority in Taiwan. Where a general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members). Where a general meeting is held through Virtual Meeting, it shall be convened in accordance with the regulations of the Applicable Public Company Rules, and the Members participating in such meeting by video shall be deemed to have attended such meeting by himself/herself/itself.
- 16.5 The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- 16.6 A Members requisition is a requisition of Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.
- 16.7 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

- 16.8 If the Directors do not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules.
- 16.9 Member(s) holding more than 50% of the total issued and outstanding Shares for at least three consecutive months may themselves convene an extraordinary general meeting. The calculation of the holding period of Shares and the number of Shares held by a Member shall be determined based on the starting date of the book closed period of the Register of Members.

17 Notice of General Meetings

- 17.1 At least thirty days' notice to each Member shall be given of any annual general meeting, and at least fifteen days' notice to each Member shall be given of any extraordinary general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting, the manner in which the meeting shall be held, the general nature of the business and other relevant matters, and shall be given in the manner hereinafter mentioned, or be given via electronic means if agreed thereon by the Members, or be given in such other manner, if any, as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed by all the Members (or their proxies) entitled to attend such general meeting.
- 17.2 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.
- 17.3 The Company shall, thirty days prior to any annual general meeting, and fifteen days prior to any extraordinary general meeting, transform the notice of such general meeting, instrument of proxy, the businesses and their explanatory materials of any sanction, discussion, election or removal of Directors into electronic format and transmitted such to the Market Observation Post System. If the voting power in any general meeting will be exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member.
- 17.4 The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials for Members' inspection, which will be placed at the Company and the securities agent of the Company, distributed at the meeting venue, and shall be transmitted to the Market Observation Post System in accordance with and within the period required by the Applicable Public Company Rules.
- 17.5 Matters pertaining to (a) election or discharge of Directors, (b) alteration of the Articles, (c) reduction of capital, (d) application to cease public offering, and (e) (i) dissolution, Merger (other than a Short-form Merger), Share Exchange (other than a Short-form Share Exchange), or Spin-off (other than a Short-form Spin-off), (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person, which has a material effect on the business operation of the Company, and (f) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (g) distribution of the whole or a part of the surplus profit of the Company in the form of new Shares, (h) capitalization of the whole or a part of Legal Reserve and capital reserve derived from issuance of new shares at a premium or from gifts received by the Company, and (i) the Private Placement of any equity-type securities issued by

the Company, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion, and the material content may be placed on the website specified by the R.O.C. competent authorities of securities or by the Company, and the website address link shall be indicated in the notice.

- 17.6 The board of Directors shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's securities agent located in Taiwan. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make handwritten or mechanical copies of the foregoing documents, and the Company shall request its securities agent to provide the foregoing documents. If a general meeting is called by the board of Directors or any authorized person(s) other than the board of Directors, the person(s) who has called the meeting may request the Company.
- 17.7 The Company shall make all statements and records prepared by the board of Directors and the report prepared by the audit committee, if any, available at the office of its registrar (if applicable) and its securities agent located in Taiwan in accordance with Applicable Public Company Rules and the Statute. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

18 Proceedings at General Meetings

- 18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.
- 18.2 The board of Directors shall submit business reports, financial statements and proposals for distribution of profits or covering of losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the general meeting, the board of Directors shall distribute or make publicly available on the Market Observation Post System the copies of the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or covering of loss, to each Member in accordance with the Applicable Public Company Rules.
- 18.3 Unless otherwise expressly provided herein and subject to the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.
- 18.4 If a general meeting is called by the Directors, the chairman of the Directors shall preside as the chair of such general meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the Directors shall act in lieu of the chairman. If there is no vice chairman of the Directors, or if the vice chairman of the Directors is also on leave of absence, or cannot exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a

general meeting is called by any person(s) other than the Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

- 18.5 A resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles.
- 18.6 In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.
- 18.7 Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution. The Taipei District Court, R.O.C., shall be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 18.8 Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 18.9 Member(s) holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company proposal(s) for discussion at an annual general meeting in writing or by means of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Other than any of the following situation occurs, proposals proposed by Member(s) shall be included in the agenda where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) where the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed more than one proposal (d) such proposal contains more than 300 words, or (e) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals. If the proposal(s) proposed by Member(s) is intended to improve the public interest or fulfil its social responsibilities of the Company, the board of Director may include such proposal(s) in the agenda in accordance with the Applicable Public Company Rules.

19 Votes of Members

- 19.1 Subject to any rights or restrictions attached to any Shares, every Member who is present in person or by proxy shall have one vote for every Share of which he is the holder.
- 19.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.
- 19.3 Any objection raised to the qualification of any voter by a Member having voting rights shall be referred to the chairman whose decision shall be final and conclusive.
- 19.4 Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.
- 19.5 A Member holding more than one Share is required to cast the votes in respect of his Shares in the same way on any resolution; provided that, if a Member holds Shares on behalf of others, such Member may, to the extent permissible by the provisions of the Statute, cast the votes of the Shares in different ways pursuant to the Applicable Public Company Rules.

- 19.6 When convening a general meeting, the Company shall permit the Members to exercise their voting power by way of an electronic transmission as one of the methods of exercising voting power. Where these methods of exercising voting power are to be available at a general meeting, they shall be described in the general meeting notice given to the Members in respect of the relevant general meeting, and the Member voting by written ballot or electronic transmission shall submit such vote to the Company two days prior to the date of the relevant meeting. In case that there are duplicate submissions, the first received by the Company shall prevail. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules. The chairman, acting as proxy of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.
- 19.7 A Member who has submitted a vote by written ballot or electronic transmission pursuant to Article 19.6 may, at least two days prior to the date of the relevant general meeting, revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6. If a Member who has submitted a written ballot or electronic transmission pursuant to Article 19.6 does not submit such a revocation before the prescribed time, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6 shall not be revoked and the chairman of the general meeting shall exercise the voting right of such Member in accordance with that proxy.
- 19.8 If, subsequent to submitting a written ballot or electronic transmission pursuant to Article 19.6, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be a revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 19.6.

20 Proxies

- 20.1 An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 20.2 Obtaining an instrument of proxy for attendance of general meetings shall be subject to the following conditions:
- (a) the instrument of proxy shall not be obtained in exchange for money or any other interest, provided that this provision shall not apply to souvenirs for a general meeting distributed on behalf of the Company or reasonable fees paid by the Solicitor to any person mandated to handle proxy solicitation matters;
 - (b) the instrument of proxy shall not be obtained in the name of others; and

- (c) an instrument of proxy obtained through solicitation shall not be used as a non-solicited instrument of proxy for attendance of a general meeting.
- 20.3 Except for the securities agent, a person shall not act as the proxy for more than thirty Members. Any person acting as proxy for three or more Members shall submit to the Company or its securities agent (a) a statement of declaration declaring that the instruments of proxy are not obtained for the purpose of soliciting on behalf of himself/herself or others; (b) a schedule showing details of such instruments of proxy; and (c) the signed or sealed instruments of proxy, in each case, five days prior to the date of the general meeting.
- 20.4 The Company may mandate a securities agent to act as the proxy for the Members for any general meeting provided that no resolution in respect of the election of Directors is proposed to be voted upon at such meeting. Matters authorized under the mandate shall be stated in the instructions of the instruments of proxy for the general meeting concerned. A securities agent acting as the proxy shall not accept general authorisation from any Member, and shall, within five days after each general meeting of the Company, prepare a compilation report of general meeting attendance by proxy comprising the details of proxy attendance at the general meeting, the status of exercise of voting rights under the instrument of proxy, a copy of the contract, and other matters as required by the R.O.C. securities competent authorities, and maintain the compilation report available at the offices of the securities agent.
- 20.5 Except for a Member appointing the chairman of a general meeting as his proxy through written ballot or electronic transmission in the exercise of voting power pursuant to Article 19.6 or for trust enterprises organized under the laws of the R.O.C. or a securities agent approved pursuant to Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period; any vote in respect of the portion in excess of such 3% threshold shall not be counted. For the avoidance of doubt, the number of the Shares to be represented by a securities agent mandated by the Company in accordance with Article 20.4 shall not be subject to the limit of 3% of the total number of the outstanding voting Shares set forth herein.
- 20.6 The Shares represented by a person acting as the proxy for three or more Members shall not be more than four times of the number of Shares held by such person and shall not exceed 3% of the total number of the outstanding Shares.
- 20.7 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his previous appointment of proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 20.8 Each Member is only entitled to execute one instrument of proxy to appoint one proxy. The instrument of proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting. In case that there are duplicate instruments of proxy received by the Company, the first to be received by the Company shall prevail unless an explicit written statement is made by the relevant Member to revoke the previous instrument of proxy in the later received instrument of proxy.

- 20.9 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the Solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 20.10 In the event that a resolution in respect of the election of Directors is proposed to be voted upon at a general meeting, each instrument of proxy for such meeting shall be tallied and verified by the Company's securities agent or any other mandated securities agent prior to the time for holding the general meeting. The following matters should be verified:
- (a) whether the instrument of proxy is printed under the authority of the Company;
 - (b) whether the instrument of proxy is signed or sealed by the appointing Member; and
 - (c) whether the Solicitor or proxy (as the case may be) is named in the instrument of proxy and whether the name is correct.
- 20.11 The material contents required to be stated in the instruments of proxy, the meeting handbook or other supplemental materials of such general meeting, the written documents and advertisement of the Solicitor for proxy solicitation, the schedule of the instruments of proxy, the proxy form and other documents printed and published under the authority of the Company shall not contain any false statement or omission.
- 20.12 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office at least two days prior to the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy. The notice must set out expressly the reason for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.
- 20.13 A Member who has appointed a proxy shall be entitled to make a request to the Company or its securities agent for examining the way in which his instrument of proxy has been used, within seven days after the relevant general meeting.
- 20.14 If a general meeting is to be held outside of R.O.C., the Company shall engage a professional securities agent within the R.O.C. to handle the voting by the Members.

21 Proxy Solicitation

Subject to the provisions of the Statute, matters regarding the solicitation of proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

22 Dissenting Member's Appraisal Right

- 22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing or verbally (with a record) of his objection to such a resolution prior to or during the meeting and forfeited his voting right provided, may request the Company to buy back all of his/her Shares at the then prevailing fair price:

- (a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others;
- (b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations;
- (d) Any part of the Company's business is Spin-Off (other than a Short-form Spin-off);
- (e) The Company is involved in any Merger (other than a Short-form Merger) with any other company;
- (f) The Company is involved in any Acquisition with any other company; or
- (g) The Company is involved in any Share Exchange (other than a Short-form Share Exchange) with any other company.

22.2 Unless otherwise provided by the Applicable Public Company Rules and the Statute, in the event of a Short-form Merger, a Short-form Spin-off, or a Short-form Share Exchange where at least 90% of the voting power of the outstanding shares of the Company are held by the other company participating in such Merger, Spin-off or Share Exchange, the Company shall deliver a notice to each Member immediately after the resolution of board of directors approving such Short-form Merger, Short-form Spin-off or Short-form Share Exchange and such notice shall state that any Member who expressed his objection against the Short-form Merger, Short-form Spin-off or Short-form Share Exchange within the specified period pursuant to the Applicable Public Company Rules may submit a written objection requesting the Company to repurchase all of his Shares at the then prevailing fair value of such Shares.

22.3 Subject to the Statute, the request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types, numbers and the price of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the requested Member in regard to the Shares of such Member (the "**Appraisal Price**"), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In the event that no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting Member who asks for a higher price within ninety days since the resolution was made. If the company fails to pay, the company shall be considered to be agreeable to the price requested by the dissenting Member. In the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company shall, within thirty days after such sixty-day period, file a petition to any competent court of the R.O.C. against all the dissenting Members as the opposing party for a ruling on the Appraisal Price, and the Taipei District Court, R.O.C., may be the court of the first instance. Such ruling by such R.O.C. court shall be binding and conclusive as between the Company and requested Member solely with respect to the Appraisal Price.

22.4 The payment of appraisal price shall be made at the same time as the delivery of Share Certificates, and transfer of such Shares shall be effective at the time when the transferee's name is entered on the Register of Members.

23 Corporate Members

Any corporation or entity which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such

person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the such corporate Member which he represents as the corporation could exercise if it were an individual Member.

24 Shares that May Not be Voted

- 24.1 Shares in the Company that are beneficially owned by the Company (including Subsidiaries) shall not be voted, directly or indirectly, at any general meeting and shall not be counted in determining the total number of outstanding Shares at any given time.
- 24.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such motion but such Shares may be counted in determining the number of Shares of the Members present at the such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- 24.3 If any Director creates or has created security over any Shares held by him, then he shall notify the Company of such security. If at any time the security created by a Director is in respect of more than half of the Shares held by him at the time of his appointment, then the voting rights attached to the Shares held by such Director at such time shall be reduced, such that the Shares over which security has been created which are in excess of half of the Shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Member at a general meeting.

25 Directors

- 25.1 There shall be a board of Directors consisting of no less than five (5) persons and no more than eleven (11) persons, including Independent Directors, each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by the resolution of Directors increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met.
- 25.2 Unless otherwise approved by competent authorities, not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.
- 25.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 25.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided in Article 25.2 hereof. Any person who has already served as Director but is in violation of the aforementioned requirements shall vacate the position of Director automatically.
- 25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least two (2) of the Independent Directors shall be domiciled in the R.O.C. and at least one of the same shall have accounting or financial expertise.
- 25.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment

of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.

- 25.6 Any Member(s) holding 1% or more of the Company's issued capital for at least six consecutive months may in writing request any of the Independent Directors of the audit committee to bring action against the Directors in a court of competent jurisdiction. If the Independent Directors failed to bring such action within thirty days after the request by the Member, such Member may bring the action in a court of competent jurisdiction in the name of the Company.

26 Powers of Directors

- 26.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by Ordinary Resolution, Special Resolution or Supermajority Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 26.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.
- 26.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 26.4 The Company may purchase liability insurance for Directors and the Directors shall determine terms of such insurance by resolution, taking into account the standards of the industry within the R.O.C. and overseas.
- 26.5 The Directors shall faithfully carry out their duties with care, and may be held liable for the damages suffered by the Company for any violation of such duty. The Company may by Ordinary Resolution of any general meeting demand the Directors to disgorge any profit realised from such violation and regard the profits realised as the profits of the Company as if such violation was made for the benefit of the Company. The Directors shall indemnify the Company for any losses or damages incurred by the Company if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The duties of the Directors shall also apply to the managers of the Company.

27 Appointment and Removal of Directors

- 27.1 The Company may by a majority or, if less than a majority, the most number of votes, at any general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 27.2 below. The Company may by Supermajority Resolution remove any Director. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 27.2 Directors shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, the procedures for which has been approved and adopted by the Directors and also by an Ordinary Resolution, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors to be elected ("**Special Ballot**

Votes”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director candidate or may be split for election amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. There shall not be votes which are limited to class, party or sector, and any Member shall have the freedom to specify whether to concentrate all of its votes on one or any number of candidate(s) without restriction. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director elect, and where more than one Director is being elected, the top candidates to whom the votes cast represent a prevailing number of votes relative to the other candidates shall be deemed directors elect. The rule and procedures for such cumulative voting mechanism shall be in accordance with policies proposed by the Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles and the Applicable Public Company Rules.

- 27.3 The Directors shall adopt a candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination shall be in accordance with policies proposed by the Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- 27.4 If a Member is a corporation, the authorised representative of such Member may be elected as Director. If such Member has more than one authorised representative, each of the authorised representative of such Member may be nominated for election at a general meeting.

28 Vacation of Office of Director

- 28.1 The Company may from time to time remove all Directors from office before the expiration of his term of office notwithstanding anything in the Articles to the contrary and may elect new Directors to fill such vacancies in accordance with Article 27.1 and unless a resolution of a meeting of Members provide otherwise, the existing Directors' office shall be deemed discharged upon such election of new Directors prior to the expiration of such Directors' applicable term of office.
- 28.2 In the event of any of the following events having occurred in relation to any Director, such Director shall be vacated automatically:
- (a) he gives notice in writing to the Company that he resigns the office of Director;
 - (b) he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his affairs, or his/her legal capacity is restricted according to the applicable laws;
 - (d) he commits an offence as specified in the Statute for Prevention of Organizational Crimes of the R.O.C. and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he has served the full term of the sentence, the expiration of probation period, or the pardon of such punishment is less than five years; or
 - (e) he commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently punished with imprisonment for a term of more than one year, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he has served the full term of such sentence, the expiration of probation period, or the pardon of such punishment is less than two years;

- (f) he commits an offence as specified in the Anti-Corruption Act of the R.O.C. and is subsequently adjudicated guilty by a final judgment, and the sentence has not been executed, the execution of the sentence has not been completed, or the time elapsed since he has served the full term of such sentence, the expiration of probation period, or the pardon of such punishment is less than two years;
- (g) he is dishonoured for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (h) he is declared bankrupt or is subject to liquidation procedure adjudicated by a court, and his/her/its rights have not been resumed yet;
- (i) he has limited legal capacity or is legally incompetent;
- (j) he is subject to the commencement of assistance by a court and a court order has not yet been revoked;
- (k) he, within his term of office of three (3) years as a Director (excluding Independent Directors), transfer to any person more than half of the Shares that he held at the time of his appointment;
- (l) the Members resolve by a Supermajority Resolution that he should be removed as a Director; or
- (m) in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (j), final judgement shall be given by such competent court.

In the event that the foregoing events described in any of clauses (b), (c), (d), (e), (f), (g), (h), (i) or (j) has occurred in relation to a Director elect, such Director elect shall be disqualified from being elected as a Director. In the event that any Director (excluding Independent Directors) appointed hereunder (i), before taking his office, transfers to any person more than half of the Shares that he held at the time when he was elected as a Director, or (ii) transfers to any person more than half of the Shares that he held during the book closed period of a general meeting of the Company, the appointment of such Director shall become null and void.

29 Proceedings of Directors

- 29.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be over one half of the total number of Directors elected. If the number of Directors is less than five (5) persons due to the vacation of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the board of Directors of the Company is equal to one third of the total number of Directors elected, the board of Directors shall hold, within sixty days, a general meeting of Members to elect succeeding Directors to fill the vacancies.
- 29.2 Unless otherwise permitted by the Applicable Public Company Rules, if the number of Independent Directors is less than three persons due to the vacation of Independent Directors for any reason, the

Company shall hold an election of Independent Directors at the next following general meeting. Unless otherwise permitted by the Applicable Public Company Rules, if all of the Independent Directors are vacated, the board of Directors shall hold, within sixty days, a general meeting to elect succeeding Independent Directors to fill the vacancies.

- 29.3 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Any motions shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.
- 29.4 A person may participate in a meeting of the Directors or committee of Directors by video conference. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. The time and place for a meeting of the Directors or committee of Directors shall be at the office of the Company and during business hours or at a place and time convenient to the Directors and suitable for holding such meeting.
- 29.5 A Director may, or other officer of the Company authorized by a Director shall, call a meeting of the Directors by at least seven days' notice in writing (which may be a notice delivered by facsimile transmission or electronic mail) to every Director which notice shall set forth the general nature of the business to be considered. In the event of an urgent situation, a meeting of Directors may be held at any time after notice has been given in accordance with the Applicable Public Company Rules.
- 29.6 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company, but for no other purpose.
- 29.7 The Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and report such rules to a meeting of Members, and such rules shall be in accordance with the Articles and the Applicable Public Company Rules.
- 29.8 All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and qualified to be a Director as the case may be.
- 29.9 A Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

30 Directors' Interests

- 30.1 A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
- 30.2 The Directors may be paid remuneration only in cash. The amount of such remuneration shall be determined by the Directors and take into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.
- 30.3 Unless prohibited by the Statute or by the Applicable Public Company Rules, a Director may himself or through his firm act in a professional capacity on behalf of the Company and he or his firm shall be entitled to such remuneration for professional services as if he were not a Director.

- 30.4 A Director who engages in conduct, either for himself or on behalf of another person within the scope of the Company's business, shall disclose to Members at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general meeting by a Supermajority Resolution vote. In case a Director engages in business conduct for himself or on behalf of another person in violation of this provision, the Members may, by an Ordinary Resolution, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.
- 30.5 A Director who has a personal interest in the matter under discussion at a meeting of the Directors shall disclose the material information of such Director's interest at the meeting; provided that in the event a Director's spouse or any relatives within the second degree of kinship with a Director, or company(s) which has controlling and subordinating relationship with a Director, has a personal interest in the matter under discussion at a meeting, the said Director shall be deemed to have a personal interest in such matter. If the interest of such Director conflicts with or impairs the interest of the Company, such Director shall not be entitled to vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. Where proposals are under consideration concerning a proposed merger and acquisition by the Company, a Director who has a personal interest in the proposed transaction shall disclose at the meeting of the board of Directors and the general meeting, the nature of such director's personal interest and the reason(s) for the approval or objection to the proposed resolution.

31 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

32 Delegation of Directors' Powers

- 32.1 Subject to the Applicable Public Company Rules, the Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 32.2 The Directors may establish any committees or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees. Any such appointment may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 32.3 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

- 32.4 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.
- 32.5 The Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by resolution of the Directors.
- 32.6 Notwithstanding anything to the contrary contained in this Article 32, unless otherwise permitted by the Applicable Public Company Rules, the Directors shall establish an audit committee comprised of all of the Independent Directors, one of whom shall be the chairman, and at least one of whom shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A resolution of the audit committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the audit committee shall be in accordance with policies proposed by the members of the audit committee and passed by the Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC or GTSM (or TSE, as applicable), if any. The Directors shall, by a resolution, adopt a charter for the audit committee in accordance with these Articles and the Applicable Public Company Rules.
- 32.7 Any of the following matters of the Company shall require the consent of one-half or more of all audit committee members and be submitted to the board of Directors for resolution:
- (a) Adoption or amendment of an internal control system of the Company;
 - (b) Assessment of the effectiveness of the internal control system;
 - (c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees on behalf of others;
 - (d) A matter where a Director has a personal interest;
 - (e) A material asset or derivatives transaction;
 - (f) A material monetary loan, endorsement, or provision of guarantee;
 - (g) The offering, issuance, or Private Placement of any equity-type securities;
 - (h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
 - (i) The appointment or removal of a financial, accounting, or internal auditing officer;
 - (j) Annual and semi-annual financial reports;

(k) Any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the audit committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the Directors meeting.

- 32.8 Prior to the commencement of Board of Directors or shareholders meeting to adopt any resolution of M&A, the Company shall have the Audit Committee to review the fairness and reasonableness of the plan and transaction of the M&A, and then to report the results of the review to the Board of Directors and the general meeting unless the resolution by the general meeting is not required by the Statute. During the review, the Audit Committee shall seek opinions from an independent expert on the justification of the share exchange ratio or distribution of cash or other assets. The results of the review of Audit Committees and opinions of independent experts shall be sent to the Members together with the notice of the general meeting. In the event that the resolution by the general meeting is not required by the Statute, the Board of Directors shall report the foregoing at the next closest general meeting.
- 32.9 With respect to the documents shall be sent to the Members as provided in the preceding Article, in the event that the Company announced the same content as in those documents on the website designated by the R.O.C. securities competent authorities and those documents are prepared in the company and at the venue of the general meeting, those documents shall be deemed as having been sent to the Members.
- 32.10 The Directors shall establish a remuneration committee in accordance with the Applicable Public Company Rules. The number of members of the remuneration committee, professional qualifications, restrictions on shareholdings and position that a member of the remuneration committee may concurrently hold, and assessment of independence with respect to the members of the remuneration committee shall comply with the Applicable Public Company Rules. The remuneration committee shall comprise of no less than three members, one of which shall be appointed as chairman of the remuneration committee. The rules and procedures for convening any meeting of the remuneration committee shall comply with policies proposed by the members of the remuneration committee and approved by the Directors from time to time, provided that the rules and procedures approved by the Directors shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and any directions of the FSC or GTSM (or TSE, as applicable). The Directors shall, by a resolution, adopt a charter for the remuneration committee in accordance with these Articles and the Applicable Public Company Rules.
- 32.11 The remuneration referred in the preceding Article shall include the compensation, salary, stock options and other incentive payment to the Directors and managers of the Company. Unless otherwise specified by the Applicable Public Company Rules, the managers of the Company for the purposes of this Article shall mean executive officers of the Company with the rank of Vice President or higher and have the powers to make decisions for the Company.

33 Seal

- 33.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. The use of Seal shall be in accordance with the use of Seal policy adopted by the Directors from time to time.
- 33.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals, each of which shall be a facsimile of the common Seal of the Company and kept under the

custody of a person appointed by the Directors, and if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

- 33.3 A person authorized by the Directors may affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

34 Dividends, Distributions and Reserve

- 34.1 The Company shall set aside 1% of its annual profits as bonus to employees of the Company and set aside no more than 3% of its annual profits as bonus to Directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The distribution of bonus to employees may be made by way of cash or Shares, which may be distributed under an incentive programme approved pursuant to Article 11.1 above. The employees under Article 34.1 may include certain employees of the Subsidiaries who meet the conditions prescribed by the Company. The distribution of bonus to employees and to Directors shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and shall be reported to the Members at the general meeting. A Director who also serves as an executive officer of the Company and/or its Subsidiaries may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.
- 34.2 The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Members by an Ordinary Resolution at any general meeting. The Directors shall prepare such proposal as follows: the proposal shall begin with the Company's Annual Net Income and offset its losses in previous years that have not been previously offset, then set aside a special capital reserve at 10% of the profits left over, until the accumulated special capital reserve has equalled the total capital of the Company. Any balance left over may be distributed as Dividends (including cash dividends or stock dividends) or bonuses in accordance with the Statute and the Applicable Public Company Rules and after taking into consideration financial, business and operational factors with the amount of profits distributed to Members not lower than 10% of profits (after tax) of the then current year and the amount of cash dividends distributed thereupon shall not be less than 10% of the profits proposed to be distributed of the then current year.
- 34.3 Subject to the Statute and this Article, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.
- 34.4 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.
- 34.5 The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any account.
- 34.6 The Directors may, after obtaining an Ordinary Resolution, declare that any distribution other than Dividends be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust

the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

- 34.7 Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 34.8 No Dividend or distribution shall bear interest against the Company.
- 34.9 Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.
- 34.10 Subject to the Statute, the Company may distribute to the Members, in the form of cash, all or a portion of its dividends and bonuses, Legal Reserve and/or capital reserve derived from issuance of new shares at a premium or from gifts received by the Company by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, and shall subsequently report such distribution to a shareholders' meeting.

35 Capitalisation

Subject to Article 14.2(d), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

36 Tender Offer

After the receipt of the copy of a tender offer application form, the prospectus and relevant documents by the Company or its litigation or non-litigation agent appointed, the board of the Directors shall proceed with the process of the tender offer subject to the Applicable Public Company Rules.

37 Books of Account

- 37.1 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- 37.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
- 37.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.
- 37.4 Minutes and written records of all meetings of Directors, any committees of Directors, and any general meeting shall be made in the Chinese language with an English translation. In the event of any inconsistency between the Chinese language version and the relevant English translation, the Chinese language version shall prevail, except in the case where a resolution is required to be filed with the Registrar of Companies in the Cayman Islands, in which case the English language version shall prevail.
- 37.5 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one year.

38 Notices

- 38.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent by airmail.
- 38.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable or telex, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 38.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 38.4 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting and every person

upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

39 Winding Up

- 39.1 If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
- 39.2 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and in compliance with the Applicable Public Company Rules, divide amongst the Members in proportion to the number of Shares they hold the whole or any part of the assets of the Company in kind (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

40 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

41 Litigation and Non-Litigation Agent in the R.O.C.

Subject to the provisions of the Statute, the Company shall, by a resolution of the Directors, appoint or remove a natural person domiciled or resident in the territory of the R.O.C. to be its litigation and non-litigation agent in the R.O.C., pursuant to the Applicable Public Company Rules, and under which the litigation and non-litigation agent shall be the responsible person of the Company in the R.O.C. The Company shall report such appointment and any change thereof to the competent authorities in the R.O.C. pursuant to the Applicable Public Company Rules.

- Remainder of Page Intentionally Left

Cowealth Medical Holding Co., Ltd.
Procedures for Acquisition or Disposal of Assets

Passed during the shareholder meeting dated May 12, 2022

Chapter One General Provisions

Article 1 (General provisions)

All asset acquisition and disposal transactions of the Company shall proceed according to the Procedures. Any matters that are not addressed in the Procedures shall be governed by relevant regulations.

Article 2 (Applicability and definition)

The term "asset" mentioned in the Procedures shall refer to:

- I. Long- and short-term security investments (include shares, government bonds, corporate bonds, bank debentures, securities that represent fund entitlements, depository receipts, call/put options, beneficiary securities, and asset-backed securities).
- II. Real estate (includes land, buildings, investment properties, and construction in progress) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise, and other intangible assets.
- V. Right-of-use assets
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of through legal merger, divestment, acquisition, or share exchange.
- IX. Other major assets.

Terminology used in the Procedures is defined as follows:

- I. "Derivatives" mentioned throughout the Procedures shall refer to forward contracts, option contracts, futures contracts, leverage guarantee contracts, swap contracts, any combination of the above, or structured contracts/products with embedded derivatives where the values are derived from interest rate, price of financial instrument, commodity price, exchange rate, price/rate index, credit rating, credit index, or other variables. The forward contracts mentioned here do not include insurance contract, performance contract, after-sale service contract, long-term lease contract, or long-term purchase (sale) contract.
- II. The term "assets acquired or disposed of through merger, divestment, business acquisition, or share exchange organized in accordance with the Articles of Incorporation and relevant laws" mentioned throughout the Procedures shall refer to assets acquired or disposed of in relation to a merger, divestment, or business acquisition, or issuance of new shares in exchange for shares of another company (referred to as "share exchange" below) that is arranged in compliance with applicable laws.

- III. The term "date of occurrence" mentioned throughout the Procedures shall primarily refer to the earliest of the signing date, payment date, deal date, date of ownership transfer, board of directors' resolution date or any other dates when the transaction counterparty and the amount can be determined with certainty. However, for investments that are subject to the approval of the authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the authority.
- IV. The term "professional valuer" mentioned throughout the Procedures shall refer to a real property valuer or other party duly authorized by law to engage in the valuation of real estate property or equipment.
- V. The term "related party" mentioned throughout the Procedures shall carry the same definition as Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- VI. The term "subsidiary" mentioned throughout the Procedures shall carry the same definition as Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- VII. The term "announcement and reporting" mentioned throughout the Procedures shall refer to the input of mandatory information into the online reporting systems designated by the Financial Supervisory Commission, Taipei Exchange, or Taiwan Stock Exchange Corporation.
- VIII. The term "Mainland investments" mentioned throughout the Procedures shall refer to investment projects in the Mainland that are either approved by the Investment Commission, Ministry of Economic Affairs, or permitted under Regulations Governing Investment or Technological Collaboration in the Mainland.
- IX. The term "specialization in the investment profession" mentioned throughout the Procedures shall refer to any financial holding company, bank, insurance company, bill financing company, trust enterprise, securities firm engaging in proprietary trading or underwriting service, futures commission merchant engaging in proprietary trading, securities investment trust enterprise, securities investment consulting enterprise, or fund management company established in accordance with laws and operates under the supervision of the local financial authority.
- X. The term "securities exchange" mentioned throughout the Procedures shall refer to: Taiwan Stock Exchange Corporation in the domestic sense, or any organized overseas securities exchange that operates under the supervision of the securities authority of the respective country.
- XI. The term "over-the-counter venue" (OTC venue) mentioned throughout the Procedures means: in the domestic sense, any securities firms that have dedicated counters established for the trading of TPEX-listed securities, as defined in Regulations Governing Securities Trading on the Taipei Exchange; or in the overseas sense, the premise of any financial institution that has been licensed to engage in securities service and operates under the supervision of a foreign securities authority.

Chapter Two Acquisition or Disposal of Assets

Article 3 (Evaluation procedures)

Evaluation procedures for assets acquired or disposed of:

I. Marketable securities

When acquiring or disposing of securities, the Company shall obtain the latest audited or auditor-reviewed financial statements of the securities issuer prior to the date of occurrence. Transactions that amount to 20% of the Company's paid-in capital or NTD 300 million or above shall be supported by CPA's opinion with regards to the rationality of the transaction price prior to the date of occurrence. However, this requirement does not apply to securities that are openly quoted in an active market or in circumstances where the authority has regulated otherwise.

II. Property, equipment, or right-of-use assets thereof

Except for transactions with domestic government agency and transactions that involve commissioned development of purchased land, commissioned development of leased land, and acquisition/disposal of equipment or right-of-use assets thereof relevant to business operations, all other acquisitions and disposals of property and equipment or right-of-use assets thereof amounting to more than 20% of the Company's paid-up capital or NTD 300 million and above shall be supported with valuation reports issued by professional valuers prior to the date of occurrence. These transactions shall also comply with the following rules.

- (I) In special circumstances where the Company adopts restrictive pricing or uses a specific price to serve as pricing reference, the underlying transaction must be resolved by the board of directors before proceeding. The same requirement applies to any change of transaction term thereafter.
- (II) For transactions that amount to more than NTD 1 billion, quotations from at least two professional valuers are needed.
- (III) If valuation concluded by the professional valuer exhibits any of the following, a certified public accountant must be engaged to provide opinions with regards to the discrepant values and appropriateness of the transaction price unless the valued price is higher than the price of asset acquired or lower than the price of asset sold.
 1. The valued price differs from the transaction price by 20% or above.
 2. When the values estimated by at least 2 professional valuers differ by 10% or more.
- (IV) Where professional valuation is used, the valuer's report must be dated no further than 3 months from the contract date. However, if the report still applies to the same government-declared current value and is no more than six months old, an opinion can be accepted from the original valuer instead.

III. Memberships or intangible assets or right-of-use thereof

Except in situations where the counterparty is a domestic government agency, any acquisition or disposal of membership, intangible asset, **or right-of-use asset thereof** that amounts to 20% of the Company's paid-up capital or NTD 300 million or above shall be supported by CPA's opinions issued prior to the date of occurrence according to Statement on Auditing Standards No. 20 published by Accounting Research and Development Foundation in regards to the rationality of the transaction price.

IV. Calculations for the transaction amounts mentioned in the 3 preceding Paragraphs shall comply with Paragraph 2, Article 20. The one-year timeframe mentioned herein shall date back from the date of occurrence. Transactions that have already been supported with

professional valuation or CPA's opinion according to the Procedures can be excluded.

- V. For assets acquired or disposed of through court auctions, a documentary proof issued by the court can be used in place of the valuation report or CPA's opinions.
- VI. For any valuation report or opinion statement obtained from CPA, lawyer, or securities underwriter, the valuation firm, valuer, CPA, lawyer, or securities underwriter must conform with the following requirements:
 - (I) No previous violation against the Act, The Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or Regulation on Business Entity Accounting Handling, and no conviction of fraud, breach of trust, misappropriation, forgery, or any crime relating to business activities that results in a sentence of one-year imprisonment or higher. This excludes situations where three years have passed since the subject has served the sentence, endured the probation period, or is pardoned of the crime.
 - (II) Must not be related to the transaction counterparty.
 - (III) In situations where the Company is required to obtain valuation reports from two or more professional valuers, the valuation firms or valuers shall not be related in any way.
- VII. The above-mentioned personnel shall follow self-discipline rules of their respective associations and the principles below when issuing valuation reports or opinions:
 - (I) Assess own professional capacity, practical experience, and independence before undertaking the case.
 - (II) When executing cases, make appropriate plans and procedures, and execute accordingly to form conclusions, reports, or opinions; complete all relevant worksheets with details on the executed procedures, the collected data, and the final conclusion.
 - (III) Evaluate the appropriateness and rationality of the data, parameters, and information used to issue a valuation report or opinion.
 - (IV) Issue declarations on the professionalism and independence of relevant personnel, the appropriateness and rationality of information used, and compliance-related matters.

Article 4 (Operating procedures)

Procedures for asset acquisition and disposal:

- I. Authorized limit and approval authority
 - (I) Acquisition and disposal of short-term securities: According to the Procedures and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the Chairman is authorized to approve acquisitions or disposals of the same security with the same counterparty up to 20% of paid-up capital or NT\$300 million in a year; acquisitions or disposals of the same security with the same counterparty exceeding 20% of paid-up capital or NT\$300 million in a year shall be approved by the board of directors.
 - (II) Acquisition and disposal of long-term securities: According to the Procedures and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the Chairman is authorized to approve transactions that have yet to meet the public disclosure, announcement, and reporting criteria; transactions that exceed the public disclosure, announcement, and reporting criteria shall be approved by the board of directors.

- (III) Acquisition and disposal of real estate property and right-of-use assets thereof: According to the Procedures and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the Chairman is authorized to approve transactions that have yet to meet the public disclosure, announcement, and reporting criteria; transactions that exceed the public disclosure, announcement, and reporting criteria shall be approved by the board of directors.
- (IV) Acquisition and disposal of other fixed assets and right-of-use assets thereof (for disposals, amount is determined as the higher between transaction value and account balance): For operation-related purposes, the Chairman is authorized to approve up to US\$5 million or equivalent (inclusive) per transaction; transactions that exceed the above authorized limit shall be approved by the board of directors.
- (V) Acquisition and disposal of membership, patent, copyright, trademark, franchise, intangible asset, and right-of-use assets thereof: To be evaluated by the execution unit and approved by the board of directors. For memberships, however, the Chairman is authorized under the Procedures and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" to approve transactions that have yet to meet the public disclosure, announcement, and reporting criteria.
- (VI) Acquisition or disposal of derivatives: To proceed according to the Company's Procedures for Financial Derivatives Transactions.
- (VII) Acquisition and disposal of assets through business merger, divestment, acquisition, or share exchange in accordance with the Articles of Incorporation and relevant laws: To proceed according to Subparagraph 2, Paragraph 1, Article 13 of the Procedures.
- (VIII) If a director expresses objection on record or issues written declaration against an asset acquisition/disposal that requires board's approval according to the 7 Subparagraphs above or applicable laws, the Company shall forward the director's objections to the Audit Committee along with all relevant information.
- (IX) If there are independent directors in place, the board shall take independent directors' opinions under advisement when discussing the terms of the asset acquisition/disposal. Any objections or reservations made by independent directors must be noted in board meeting minutes.
- (X) All asset acquisitions and disposals that are subject to board resolution under the Articles of Incorporation, the Procedures, and relevant rules must first be supported by the Audit Committee.

II. Executors

- (I) Short-term investment in securities and derivatives: To be evaluated and executed by the Treasury Department.
- (II) Long-term securities investment, real estate property or right-of-use thereof, other fixed asset, membership or intangible asset or right-of-use thereof, asset acquired or disposed of through legal merger, divestment, acquisition, or share exchange, and other important assets: The Chairman shall appoint responsible person or assemble project team to oversee evaluation and execution of transaction.

III. Transaction workflow

Procedures and workflows relating to asset acquisition and disposal shall proceed according to relevant laws and the Company's internal control system.

Article 5 (Aggregate and individual asset limits)

Below are aggregate and individual limits on the acquisition of non-operating real estate property and right-of-use thereof and marketable securities for the Company and subsidiaries:

- I. Acquisition of non-operating real estate property, equipment, and right-of-use assets thereof by the Company shall not aggregate to more than 50% of the Company's net worth; acquisition of non-operating real estate property by subsidiaries of the Company shall not aggregate to more than 50% of the Company's net worth.
- II. The aggregate sum of short-term security investments (excluding provision for loss on valuation) held by the Company shall not exceed 100% of the Company's net worth, whereas the amount of individual security (excluding provision for loss on valuation) held in possession shall not exceed 50% of the Company's net worth; aggregate sum and amount of individual security held by subsidiaries of the Company shall not exceed 100% and 50% of the Company's net worth, respectively.
- III. The aggregate sum of long-term security investments (excluding provision for loss on valuation) held by the Company shall not exceed 100% of the Company's net worth, whereas the amount of individual security (excluding provision for loss on valuation) held in possession shall not exceed 50% of the Company's net worth; aggregate sum and amount of individual security held by subsidiaries of the Company shall not exceed 100% and 50% of the Company's net worth, respectively.
- IV. The aggregate and individual limits on long-term securities holding, as mentioned in the preceding Subparagraph, do not apply to investees in which the Company holds 51% votes, capital contribution, or controlling interest or above, whether directly or through subsidiaries.

The term "net worth" mentioned in the preceding Paragraph shall refer to equity attributable to shareholders of the parent company, as shown in the latest audited or auditor-reviewed consolidated financial statements available as of the date of occurrence.

Article 6 (Rules on derivative transactions)

Derivative transactions shall be handled according to the Procedures and the Company's Procedures for Financial Derivatives Transactions.

Article 7 (Control procedures for asset acquisition or disposal by subsidiaries)

The Company shall exercise supervision over the establishment of Procedures for Acquisition or Disposal of Assets by subsidiaries, and ensure that the procedures are resolved during their respective board meetings and shareholder meetings before implementation.

Subsidiaries of the Company shall observe the Procedures outlined in the preceding Paragraph when acquiring or disposing of assets. For any transaction that meets the announcement and reporting criteria mentioned in Paragraph 1, Article 20, subsidiaries are required to provide relevant information to the Company and seek opinions from responsible persons of the Company before proceeding with asset acquisition/disposal. Subsidiaries shall also provide

relevant information to the Company on a monthly basis for audit and control, as instructed by responsible persons of the Company.

Article 7-1(Control procedures for holding position over subsidiaries)

Except in the case of strategic alliance or with the consent of Taipei Exchange and approved by the board of directors in a special resolution:

- I. The Company may not forgo subscription of future cash issues of its subsidiaries including Cowealth Investment Co., Ltd., Wen Wei Investment Co., Ltd., Jie Li Investment Co., Ltd., Le Li Investment Co., Ltd., Mark Investment Co., Ltd., Cowealth Holding Co., Ltd., Co-Wealth Medical Science & Biotechnology Inc., and Richtek Technology Ltd.;
- II. Cowealth Holding Co., Ltd. may forgo subscription of future cash issues of the Company's indirectly held subsidiary - Cowealth Medical China Co.,Ltd. (referred to as "Cowealth China" below) and in doing so reduce shareholding position in Cowealth China, provided that the Company holds at least 51% of equity in Cowealth China and maintains substantive control over the management decisions of Cowealth China.
- III. Cowealth Holding Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiaries Health Space Consultation & Management (Shanghai) Co., Ltd. and U Health Business Management (Shanghai) Co., Ltd.;
- IV. Co-Wealth Medical Science & Biotechnology Inc. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary Co-Wealth Holding Co., Ltd.;
- V. Co-Wealth Holding Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary Cowealth Investment Co., Ltd.;
- VI. Cowealth Medical China Co.,Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiaries Royal Seal Medical Technology (Shanghai) Co., Ltd., Royal Seal Holding Co., Limited and Colab Reserch & Development Inc.;
- VII. Royal Seal Medical Technology (Shanghai) Co., Ltd. may not forgo subscription of future cash issues of the Company's indirectly held subsidiary CHM Consulting Co., Ltd.;
- VIII. The Company shall not dispose of shares in directly or indirectly held subsidiaries including Cowealth Investment Co., Ltd., Wen Wei Investment Co., Ltd., Jie Li Investment Co., Ltd., Le Li Investment Co., Ltd., Mark Investment Co., Ltd., Royal Seal Holding Co., Limited, Cowealth Holding Co., Ltd., Co-Wealth Medical Science & Biotechnology Inc., Richtek Technology Ltd., Health Space Consultation & Management (Shanghai) Co., Ltd., U Health Business Management (Shanghai) Co., Ltd., Cowealth Medical China Co., Ltd., Co-Wealth Holding Co., Ltd., Colab Reserch & Development Inc., Cowealth Investment Co., Ltd., CHM Consulting Co., Ltd., and Royal Seal Medical Technology (Shanghai) Co., Ltd.

Chapter Three Related Party Transactions

Article 8 (Applicability of related party transactions)

Acquisition and disposal of assets with related parties are subject to the resolution and rationality assessments outlined in Articles 9 to 12 of the Procedures if they amount to 10% or more of the Company's total assets. In addition, a valuation report from a professional valuer or an opinion from a CPA shall be obtained in accordance with Chapter Two to support the transaction.

Calculation of transaction amounts mentioned in the preceding Paragraph shall comply with Paragraph 4, Article 3.

When determining whether a counterparty is a related party, the Company must evaluate relationship in its legal form and by its real nature.

Article 9 (Resolution procedures for related party transactions)

With the exception of domestic government bonds, repurchase/resale agreements, and subscription/redemption of money market funds issued by securities investment trust enterprises domiciled in The Republic of China, any acquisition/disposal of real estate property or right-of-use assets thereof with a related party or any acquisition/disposal of asset other than real estate property or right-of-use assets thereof with a related party that amounts to 20% of the Company's paid-up capital, 10% of total assets, or NT\$300 million or more shall have the following information submitted to the Audit Committee for support followed by board of directors' approval according to the Articles of Incorporation and relevant rules before contract signing and payment:

- I. The purpose, necessity, and expected benefits of the asset acquired or disposed of.
- II. The reasons for transacting with a related party.
- III. When acquiring or disposing of real estate property or right-of-use thereof with a related party, any information that is relevant for establishing the rationality of transaction terms under Articles 10 and 11.
- IV. The date, price, and counterparty on/at/from which the related party had acquired the asset in the first place, and relationship between the Company and the initial counterparty.
- V. A cash projection report for the next 12 months starting from the estimated contract month, with comments made on the necessity of the transaction and the rationality of capital usage.
- VI. Professional valuer's report or CPA's opinion obtained in accordance with the preceding Article.
- VII. Restrictions and other important terms of the underlying transaction.

Calculations for the transaction amounts mention in the preceding Paragraph and Paragraph 6 shall comply with Paragraph 2, Article 20. The one-year timeframe mentioned herein shall date back from the date of occurrence. Transactions that have already been approved during shareholder meeting, passed by the board of directors, and acknowledged by the Audit Committee can be excluded.

Any of the following transactions taking place between the Company and its parent or subsidiary, or between subsidiaries in which it has 100% shareholding or capital contribution, may be carried out at the discretion of the Chairman, subject to board of directors' prior

authorization according to Article 4 and up to a certain limit, and raised for acknowledgment during the upcoming board meeting:

- (I) Acquisition or disposal of operating equipment or right-of-use assets thereof.
- (II) Acquisition or disposal of operating real estate or right-of-use assets thereof.

If the Company has independent directors in place, independent directors' opinions must be fully taken into consideration when the transaction is proposed for discussion among the board of directors in accordance with the preceding paragraph. Any objections or reservations expressed by independent directors shall be detailed in board meeting minutes.

Matters that are subject to Audit Committee's acknowledgment, as mentioned in Paragraph 1, shall be supported by more than half of Audit Committee members and raised for board of directors' resolution. If the proposal is not agreed by more than half of all Audit Committee members, it can still be effected with the support of more than two-thirds of all directors; in which case, the Audit Committee's resolution must be stated in board meeting minutes. The terms "all Audit Committee members" and "all directors" mentioned in the preceding Paragraph refer to those who are currently in active duty.

Should the Company or any of its subsidiaries that is not a domestic public company undertake any of the transactions described in Paragraph 1 for an amount exceeding 10% of the Company's total assets, the Company shall present all information listed in Paragraph 1 for approval during shareholder meeting before proceeding with contract signing and payment. This requirement does not apply to transactions between the Company and its parent company or subsidiary, or between its subsidiaries.

Article 10 (Transaction cost evaluation for properties acquired from related parties)

The transaction cost of any real estate property or right-of-use thereof acquired or disposed of with a related party shall be subject to rationality assessment using the following methods:

- I. Add interests of necessary funding and any costs legally borne by the buyer onto the price of the related party transaction. Interests on necessary funding are calculated at the weighted average interest rate that the Company would have incurred if it finances the asset purchase in the year acquired. However, this rate shall not exceed the maximum lending rate for non-financial institutions, as regulated by the Ministry of Finance.
- II. If the related party had once pledged the property as collateral and borrowed from a financial institution, the value estimated by the financial institution should be used as reference, provided that the financial institution had lent more than 70% of the property value for more than 1 year. This does not apply if the financial institution is a related party to one of the counterparties.

For purchases or leases that involve both land and buildings, the transaction costs of land and building can be evaluated separately using any the above methods.

When acquiring real estate property or right-of-use thereof from a related party, the property cost or cost of right-of-use thereof shall be evaluated according to the preceding 2 Paragraphs. A certified public accountant should also be engaged to verify and express opinions on the transaction.

Acquisition of real estate property or right-of-use thereof from a related party that exhibits any of

the following shall proceed according to the preceding Article and is exempted from the three Paragraphs above:

- I. The related party had acquired the real estate property or right-of-use thereof as a heritage or gift in the first place.
- II. 5 years have passed since the related party first acquired the real estate property or right-of-use asset thereof.
- III. The real estate property is acquired through a joint construction agreement with related party, or through commissioned development of purchased land or commissioned development of leased land with a related party.
- IV. Acquisition of right-of-use in an operating real estate property between the Company and its parent or subsidiary, or between subsidiaries in which the Company holds 100% direct or indirect ownership interest.

Article 11 (Where valuation is lower than transaction price - Part 1)

Article 12 shall apply if the valuation methods mentioned in Paragraphs 1 and 2 of the preceding Article both conclude a value that is lower than the transaction price. However, this excludes the following circumstances where there is objective evidence and opinions from professional property valuers and certified public accountant to support the rationality of the transaction:

- I. The related party is acquiring or leasing bare land for new construction, in which case evidence can be raised to prove any of the following:
 - (I) The value of bare land assessed based on the preceding Article plus the value of building, including construction cost and reasonable markup, exceeds the actual transaction price. The term "reasonable markup" is defined as the lower between the average gross profit margin of the related party's construction department in the last 3 years, or the latest gross profit margin of the entire construction industry published by the Ministry of Finance of The Republic of China.
 - (II) Transactions completed by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after accounting for reasonable price discrepancies due to floor or regional differences in accordance with standard property market or leasing practices.
- II. The real estate property purchased or right-of-use assets acquired through lease from related party is proven to be of comparable term and size to other transactions completed by unrelated parties in the nearby area in the past year.

The term "transaction in the neighboring district" mentioned in the above Paragraph refers to properties located in the same or nearby street within a 500-meter radius of the underlying property, or properties with similar government-announced current values. The term "similar-size transaction" refers to non-related party transaction of area that is no smaller than 50% of the underlying property. The "one-year" timeframe dates back one year from the date real estate property or right-of-use thereof is acquired.

Article 12 (Where valuation is lower than transaction price - Part 2)

The following rules shall apply to real estate properties and right-of-use thereof acquired from

related parties where the valuation methods described in the 2 preceding Articles both conclude a value that is lower than the transaction price:

- I. The Company shall provide special reserves equal to the difference between the transaction price and the assessed cost of real estate property or right-of-use according to relevant laws. This special reserve can not be distributed as dividends or capitalized into share capital. Public companies, as mentioned in the Securities and Exchange Act of The Republic of China, that account the Company as an investment using the equity method shall also recognize a portion of the Company's special reserves according to their respective shareholding percentages, as required in Paragraph 1, Article 41 of the Securities and Exchange Act.
- II. Independent directors of the Audit Committee shall proceed according to Article 218 of The Company Act.
- III. Outcomes of the preceding 2 Subparagraphs are to be reported during a shareholder meeting, whereas transaction details are to be disclosed in the annual report and the prospectus.

Where the Company has made provision for special reserves according to the above, the special reserves can only be used if devaluation losses are recognized on the acquired or leased asset during revaluation or disposal, or when the lease contract is terminated, or if compensation or cost is incurred while restoring the asset to its original state, or if there is evidence to support the underlying rationale. In which case, use of special reserves is also subject to approval of the authority of The Republic of China.

If there is other evidence to suggest that the acquisition of real estate property or right-of-use thereof from a related party is outside business norms, then the transaction must also proceed according to the two preceding Paragraphs.

Chapter Four Merger, Divestment, Business Acquisition, and Share Exchange

Article 13 (Resolution procedures)

The Company shall resolve business merger, divestment, acquisition, and share exchange transactions according to the following procedures, provided that doing so does not contradict the Articles of Incorporation and relevant laws and policies:

- I. Prior to commencing business merger, divestment, acquisition, or share exchange, the Company shall engage a certified public accountant, lawyer, or securities underwriter to provide opinions with regards to the exchange ratio, the acquisition price, or the amount of cash or other properties distributed to shareholders before the proposal is presented for board of directors' resolution. These opinions are subject to discussion and resolution by the board of directors. However, experts' opinions are not required for mergers between the Company and subsidiaries in which it holds 100% direct or indirect ownership interest, and mergers between subsidiaries in which the Company holds 100% direct or indirect ownership interest.
- II. Important details of the business merger, divestment, or acquisition that the Company is a part of shall be compiled into a public report and delivered to shareholders along with meeting advice and expert's opinions mentioned in the preceding Subparagraph before the shareholder meeting. These documents will serve as reference for shareholders' decision on

whether to support the merger, divestment, or acquisition. This excludes circumstances where the Company is exempted by law to resolve business merge, divestment, or acquisition through a shareholder meeting.

If any participant of the business merger, divestment, or acquisition is unable to convene a shareholder meeting or produce a resolution, or if the motion is voted down by shareholders due to insufficient attendees, insufficient votes, or other legal restrictions, participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, any follow-up actions, and the estimated date of the next shareholder meeting.

III. Unless otherwise regulated by law or acknowledged and approved by the authority of The Republic of China in advance under special circumstances, all participants of a business merger, divestment, or acquisition that the Company is a part of shall convene a board of directors meeting and a shareholder meeting on the same day to resolve the business merger, divestment, or acquisition.

Unless otherwise regulated by law or acknowledged and approved by the authority of The Republic of China in advance under special circumstances, share exchange that the Company is a part of shall convene a board of directors meeting and a shareholder meeting on the same day to resolve the transaction.

Article 14 (Document keeping and reporting)

When participating in business merger, divestment, acquisition, or share exchange, the Company shall produce documents of the following information and keep for 5 years for reference:

- I. Personnel profile: including the title, name, and ID card number (or passport number for people who are not nationals of The Republic of China) of any person involved in the planning or execution of business merger, divestment, acquisition, or share exchange before the information is made public.
- II. Important dates: including the date when the letter of intent or memorandum of understanding is signed, the date of engagement with financial or legal consultants, the date when contract is signed, and the date of board of directors meeting.
- III. Important documents and minutes: including the merger/divestment/acquisition/share exchange plan, letter of intent or memorandum of understanding, major contracts, and board of directors meeting minutes.

When taking part in a merger, divestment, acquisition, or share exchange, all information listed in Subparagraphs 1 and 2 of the preceding Paragraph that has to be made public within two days from the board resolution date shall be reported to the securities authority of The Republic of China over the online system using the prescribed format.

In the case of a business merger, divestment, acquisition, or share exchange where the Company is required by laws to make the above report while other participants need not do so, the Company shall sign agreements with these participants and proceed according to the two preceding Paragraphs.

Article 15 (Confidentiality commitment)

All parties involved or possessing knowledge of a business merger, divestment, acquisition, or share exchange shall issue a written commitment not to disclose any information until the plan is

made public. The written commitment shall also prohibit the trading of shares or securities of equity nature pertaining to the deal, whether in own name or in the names of others.

Article 16 (Change of exchange ratio or acquisition price)

When the Company engages in a business merger, divestment, acquisition or share exchange, terms including the share exchange ratio and the acquisition price can not be changed except under the following circumstances; furthermore, these exceptional circumstances shall also be specified in the business merger, divestment, acquisition or share exchange contract:

- I. Cash issue and issuance of convertible bond, stock dividend, corporate bond with warrant, preferred share with warrant, warrant, and any securities of equity nature.
- II. Disposal of major assets or other conducts capable of influencing the Company's financial or business performance.
- III. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- IV. Adjustment for treasury stocks purchased by any participant of the business merger, divestment, acquisition, or share exchange.
- V. Changes to the organization or number of participants in a business merger, divestment, acquisition, or share exchange.
- VI. Other circumstances specified in the contract under which the Company is permitted to make such changes, provided that the terms have been disclosed to the public.

Article 17 (Mandatory contract details)

When the Company engages in a business merger, divestment, acquisition or share exchange, the underlying contract shall address the Company's rights and obligations in the merger, divestment, acquisition or share exchange, and specify the following details:

- I. How breach of contract is handled.
- II. Treatment for any securities of equity nature issued by the non-surviving party of a merger or by the divested company, or any treasury stocks purchased.
- III. Amounts of treasury stock that participating companies may purchase after setting the exchange ratio and exchange date, and how treasury stocks are treated.
- IV. Treatment for any changes in the organization or the number of participating companies.
- V. The expected execution progress and the estimated date of completion.
- VI. The estimated date of mandatory shareholder meeting and relevant procedures in case the project is not completed by the due date.

Article 18 (Change of participant)

If a participant of the business merger, divestment, acquisition, or share exchange that the Company is a part of intends to engage in another business merger, divestment, acquisition, or share exchange with another company after the initial deal is made public, all procedures or legal actions completed on the initial deal must start afresh by all participants. However, this excludes situations where the total number of participants has decreased as a result of the second deal, and that a resolution has been made in a shareholder meeting to authorize the board of directors to

change the terms of the initial deal; in which case, participants need not convene another shareholder meeting to resolve the board's decision.

Article 19 (Where a participant is a non-public company)

If the merger, divestment, acquisition, or share exchange involves a party that is not a public company defined in the Securities and Exchange Act of The Republic of China, the Company shall sign a separate agreement with that particular party and execute the transaction according to the terms outlined in Paragraph 3, Article 13, Article 14, Article 15, and the preceding Article.

Chapter Five Information Disclosure

Article 20 (Announcement and reporting procedures)

Asset acquisitions and disposals that involve any of the following shall be announced and reported within two days of occurrence over the website designated by the Securities and Futures Institute using the prescribed format in accordance with relevant rules:

- I. Acquisition of real estate property or right-of-use asset thereof, or acquisition/disposal of asset other than real estate property and right-of-use asset thereof that amounts to more than 20% of the Company's paid-up capital, 10% of total assets, or NTD 300 million in value. This excludes trading of domestic government bond, repurchase/resale agreement, and subscription or redemption of money market funds issued by securities investment trust companies domiciled in The Republic of China.
- II. Mergers, divestments, business acquisitions, or share exchanges.
- III. Derivative transactions that accumulate losses above the aggregate or individual contract limits specified in the Company's "Procedures for Financial Derivatives Transactions."
- IV. Acquisition or disposal of operating equipment or right-of-use asset thereof with an unrelated party, and the transaction amount meets any of the following requirements:
 - (I) For public companies with paid-up capital less than NTD 10 billion, the transaction amounts to NTD 500 million and above.
 - (II) For public companies with paid-up capital of at least NTD 10 billion, the transaction amounts to NTD 1 billion and above.
- V. Acquisition of real estate property in the form of development over purchased land, development over leased land, joint development with separate ownership, joint development with proportional holding, or joint development with partial sale, where the counterparty is unrelated and in which the Company expects to invest more than NTD 500 million.
- VI. Transaction of assets other than the ones listed in the 5 Subparagraphs above, disposal of debt claim by a financial institution, or investment into the Mainland that amounts to 20% of the Company's paid-up capital or NT\$300 million or above. However, exception is given to the following:
 - (I) Trading of domestic government bonds or foreign government bonds that have a credit rating no less than the sovereign rating of Taiwan.
 - (II) Where the company specializes in the investment profession, any securities traded through

exchange or through OTC venue, or foreign government bonds, ordinary corporate bonds, and ordinary bank debentures without equity attribute subscribed in the primary market (excluding subordinated bonds), or subscription/redemption of securities investment/futures trust funds, or subscription/redemption of exchange-traded notes, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies, as regulated by Taipei Exchange.

(III) Repurchase/resale agreement, or subscription or redemption of money market funds issued by domestic securities investment trust companies.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. Cumulative amount of similar assets acquired from or disposed of to the same counterparty in the past one year.
- III. Cumulative amount of the same development project or right-of-use thereof acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.
- IV. Cumulative amount of the same securities acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.

The "one-year" timeframe mentioned in the preceding Paragraph dates back one year from the date of occurrence. Transactions that have already been announced according to the Procedures can be excluded.

The Company shall provide monthly reports on all derivative transactions undertaken by the Company and any subsidiary that is not a domestic public company up until the end of the previous month, and submit such reports to the website designated by the FSC before the 10th calendar day of each month using the prescribed format.

For subsidiaries of the Company that do not meet the definition of public company mentioned in the Securities and Exchange Act of The Republic of China, all asset acquisition and disposal affairs subject to announcement and regulatory reporting shall be made by the Company instead.

Calculation for "10% of total assets," as mentioned throughout the Procedures, shall be based on the amount of total assets shown in the latest standalone or individual financial statements, as defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 21 (Correction to announcements and regulatory reports)

If errors or omissions are discovered in any of the mandatory announcements that require correction, the Company shall start afresh and re-submit the entire announcement/report within two days from the date of knowledge.

Article 22(Change of circumstance)

Should any of the following circumstances arise after the Company has announced or reported its transactions according to the 2 preceding Articles, the Company shall update all relevant information to the website designated by the authority within 2 days from the date of occurrence:

- I. Any change, termination, or annulment of the original contract.
- II. The merger, divestment, acquisition, or share exchange is not completed before the scheduled date.

III. Changes to the initially reported/announced details.

Article 23 (Document retention)

All contracts, meeting minutes, transaction logs, valuation reports, and CPA's, lawyer's, or securities underwriter's opinions relevant to the acquisition or disposal of assets shall be retained within the Company for at least 5 years unless otherwise specified by law.

Chapter Six Supplementary Clauses

Article 24 (Penalties)

Relevant personnel of the Company shall observe the Procedures when handling asset acquisitions and disposals, and exercise care to prevent loss from mishandling. Any violation against relevant laws or the Procedures shall be disciplined according to the Company's personnel policy.

Article 25 (Establishment procedures)

The Procedures shall conform with the terms of Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and are subject to the support of more than 50% of Audit Committee members followed by board of directors' approval and resolution in a shareholder meeting. The same applies to all subsequent amendments. Should a director express objection on record or via written statement, the Company shall forward director's objection to the Audit Committee. Audit Committee members will then raise these opinions for discussion during shareholder meeting. If the proposal is not agreed by more than half of all Audit Committee members, it can still be effected with the support of more than two-thirds of all directors; in which case, the Audit Committee's resolution must be stated in board meeting minutes. The terms "all Audit Committee members" and "all directors" mentioned in the preceding Paragraph refer to those who are currently in active duty.

If the Company has independent directors in place, independent directors' opinions must be fully taken into consideration when the Procedures are proposed for discussion among the board of directors in accordance with the preceding Paragraph. Any objections or reservations expressed by independent directors shall be detailed in board meeting minutes.

Cowearth Medical Holding Co., Ltd.
Shareholdings of Directors and Independent Directors

Record date: March 26, 2023

Title	Name	Date elected	Shareholding when elected			Current shareholding			Remarks
			Type	No. of shares	% of current outstanding	Type	No. of shares	% of current outstanding	
Chairman	Joyce Wang	May 27, 2020	Common shares	7,094,928	9.62%	Common shares	7,301,186	9.43%	
Director	Duane Lee	May 27, 2020	Common shares	7,348,414	9.96%	Common shares	8,449,834	10.91%	
Director	Chuan Jin	May 27, 2020	Common shares	467,334	0.63%	Common shares	420,700	0.54%	
Director	Kuang-Tsan Tsao	May 27, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Director	Po-Chien Hu	May 27, 2020	Common shares	3,168,304	4.30%	Common shares	3,056,170	3.95%	
Director	Le-Sheng Wu	May 27, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Ying-Tung Lou	May 27, 2020	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Tsung-Wen Tung	May 27, 2020	Common shares	302,707	0.41%	Common shares	317,842	0.41%	
Independent Director	Yen-Ching Tsai	May 27, 2020	Common shares	0	0.00%	Common shares	7,000	0.01%	
Total			Common shares	18,381,687		Common shares	19,552,732		

Total outstanding shares as of May 27, 2020: 73,761,473 shares

Total outstanding shares as of March 26, 2023: 77,449,547 share

Note: Minimum shareholding required from all directors of the Company: 6,195,963 shares; directors' total shareholding as of March 26, 2023: 19,227,890 shares

©The Company has assembled an Audit Committee, therefore supervisors' minimum shareholding requirements do not apply here

©Shares held by independent directors do not count toward directors' shareholding

合富

合富集團
COWealthGroup

合富醫療控股股份有限公司

台北市大安區敦化南路二段76號23樓
台北集團總部 T (886) 2-2325-2008
www.cowealthholding.com

合富(中國)醫療科技股份有限公司

上海市徐匯區虹漕路456號光啟大廈
全國統一電話 T (86) 400-678-8855
www.cowealth.com



掃碼關注合富中國