

Stock Code: 4139

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## **Ma Kuang Healthcare Holding Limited**

# **Handbook for 2021 Annual General Meeting of Shareholders**

**MEETING TIME: 9:00 am, June 16, 2021 (Tuesday)**

**PLACE: No. 192, Minghua 1st Rd., Zuoying Dist., Kaohsiung City**

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# **Ma Kuang Healthcare Holding Limited**

## **Procedure for 2021 Annual General Meeting of Shareholders**

**I. Call the Meeting to Order**

**II. Chairperson Remarks**

**III. Report Items**

**IV. Proposed Resolutions**

**V. Discussion & Election**

**VI. Other Proposals & Extraordinary Motions**

**VII. Adjournment**

# **Ma Kuang Healthcare Holding Limited**

## **2021 Agenda of Annual General Meeting**

**I. Time: 9:00 am, June 16, 2021 (Tuesday)**

**II. Place: No. 192, Minghua 1st Rd., Zuoying Dist., Kaohsiung City**

**III. Attendants: All shareholders or their proxy holders**

**IV. Chairperson Remarks**

**V. Report Items:**

1. 2020 Business Report
2. Independent Directors' Review Report on 2020 Financial Statements
3. 2020 Remuneration Distribution Report for employees and Directors
4. Amendment to the Regulations Governing Procedure For Board Of Directors Meetings
5. Proposals of Shareholders

**VI. Proposed Resolutions:**

1. Adoption of 2020 Consolidated Financial Statement
2. Adoption of the Proposal for Distribution of 2020 Profits

**VII. Discussion & Election:**

1. Amendment to The Operational Procedures for Endorsement & Guarantee
2. Amendment to The Rules And Procedures Of Shareholders Meeting
3. By-election of one of the 4st term of independent directors

**VIII. Other Proposals & Extraordinary Motions**

**IX. Adjournment**

# Report Items

## 1. 2020 Business Report

**Proposed by the Board**

### **Explanation:**

The 2020 Business Report is attached hereto as Appendix 1 of the Meeting Handbook.

## 2. Independent Directors' Review Report on 2020 Financial Statements

**Proposed by the Board**

### **Explanation:**

The Independent Directors' Review Report on 2020 Financial Statements is attached hereto as Appendix 2 of the Meeting Handbook

## 3. 2020 Remuneration Distribution Report for Employees and Directors

**Proposed by the Board**

### **Explanation:**

- (1) The remuneration distribution criteria for employees and directors are in line with Article 87 of the Articles of Incorporation.
- (2) In accordance with Article 87 of the Articles of Incorporation, 1% to 10% of the annual profits shall be allocated as the employees remuneration and no more than 5% of the annual profits shall be allocated as the remuneration of the directors and supervisors. However, the amounts of compensation shall be reserved if accumulated losses incurred. The remunerations for the employees and directors are NT\$3,652,208 and NT\$ 2,743,792 respectively as required by the above criteria.

## 4. Amendment to the Regulations Governing Procedure For Board Of Directors Meetings

**Proposed by the Board**

### **Explanation:**

Partial articles in the Regulations Governing Procedure For Board Of Directors Meetings are proposed to amend in line with the laws and regulations of competent authorities. The comparison table before and after revision is attached as Appendix 3 of the Meeting Handbook.

## 5. Report of Shareholder Proposals

**Proposed by the Board**

### **Explanation:**

During the proposal period (April 10~19, 2021) of the Company, no shareholder proposals are proposed.

# Proposed Resolutions

## 1.

**Proposed by the Board**

Subject: Adoption of 2020 Consolidated Financial Statements

**Explanation:**

- (1) The Company's 2020 Consolidated Financial Statements of the Company have been audited by the Ernst & Young with unqualified opinion. The 2020 Consolidated Financial Statements with the Business Report and Surplus Appropriation Statement have been approved by the Board on March 15, 2021.
- (2) The 2020 Audit Report and Consolidated Financial Statements are attached as Appendix 4 of the Meeting Handbook.
- (3) It is submitted for adoption.

**Resolution:**

2.

**Proposed by the Board**

Subject: Adoption of the Proposal for Distribution of 2020 Profits

**Explanation:**

- (1) The 2020 Surplus Appropriation Statement has been approved by the Board on March 15, 2021 and is attached as Appendix 5 of the Meeting Handbook.
- (2) After that, if the number of outstanding shares is affected due to the repurchase of the company's shares or the transfer of treasury shares, and the rights issue ratio and the payout ratio of shareholders change accordingly, the board of directors shall be authorized to handle relevant matters.
- (3) The board of directors shall set the ex-dividend base date for this cash dividend distribution case, and it will be announced separately at that time; in addition, if the fractional amount is less than one New Taiwan Dollar in the cash dividend distribution, the amount less than one New Taiwan Dollar shall be omitted, and the chairman of the board of directors shall be authorized to distribute the remaining amount of cash dividend to specific persons.
- (4) It is submitted for adoption.

**Resolution:**

## **Discussion & Election**

1.

**Proposed by the Board**

Subject: Amendment to The Operational Procedures for Endorsement & Guarantee.

**Explanation:**

- (1) Partial articles in The Operational Procedures for Endorsement & Guarantee are proposed to amend in line with the laws and regulations of competent authorities. The comparison table before and after revision is attached as Appendix 6 of the Meeting Handbook.
- (2) Pursuant to "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", if the aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders

meeting. The explanation is as follow.

(1) Necessity

The Company or the subsidiary with existing credit records make an endorsement/guarantee for the Company or other companies in which the Company holds, directly or indirectly, in order to assist every subsidiary in the group in getting favorable financing conditions and lower the associated financing costs.

(2) Reasonableness

As of December 31, 2020, the amount of the endorsements/guarantees of the Company and its subsidiaries was NT\$404,600 thousand, accounting for 71% of the Company's equity. As the Company focused on the expansion of Singapore and Tianjin's medical business in recent years, the Company or its subsidiaries had to endorse/guarantee for the Company or other companies in the group to provide every company in the group the financial resources to continue the expansion of the medical business in Singapore and Tianjin. The expansion will be highly beneficial for all shareholders of the Company.

(3) It is submitted for discussion and approval.

**Resolution:**

2.

**Proposed by the Board**

Subject: Amendment to The Rules And Procedures Of Shareholders Meeting

**Explanation:**

- (1) Partial articles in the Rules And Procedures Of Shareholders Meeting are proposed to amend in line with the laws and regulations of competent authorities. The comparison table before and after revision is attached as Appendix 7 of the Meeting Handbook.
- (2) It is submitted for discussion and approval.

**Resolution:**

3.

**Proposed by the Board**

Subject: By-election of one of the 4st term of independent directors

**Explanation:**

- (1) Because the independent director resigned, we proposed to by-elect a seat of independent director. In accordance with the provisions in Articles of Incorporation, candidate nomination system shall be adopted for the election of independent directors.
- (2) The new director assumes the position from the date of election, and shall have the same term as the current term Board of Directors from June 16,2021 to June 23,2022.
- (3) The by-election was held in accordance with the Procedures for Election of Directors. Please refer to Appendix 8 of the Meeting Handbook.
- (4) The candidate of independent director has been approved by the Board on March 15, 2021, and the nominated independent directors are as follows:

List of Director Candidates:

Name (ID number)	Education	Experience	Shareholding
WU CHUNG A12090****	Master of Business Administration at University of San Francisco in the United States	Chairperson of Dacome International Ltd	0

**Resolution:**

## **Other Proposals & Extraordinary Motions**

## **Adjournment**

# Appendices

## Appendix 1: 2020 Business Report

Esteemed Shareholders:

I. The operation status of the Company in 2020 is as follows:

1. Implementation results of operation plan

Unit: NT\$ (,000)

Item	2020	2019	Amount increase (decrease)	Variation (%)
Operating revenue	910,240	1,020,189	(109,949)	-10.78%
Gross profit	175,411	177,057	(1,646)	-0.93%
Net income	99,480	64,351	35,129	54.59%
Net income belonging to the parent company	77,164	67,619	9,545	14.12%

Compared with 2019, the Company's operating revenue and gross profit in 2020 decreased, but the net profit belonging to the parent company in 2020 increased compared with 2019.

1. Traditional Chinese medicine (TCM) chain services and sales of Chinese herbal medicine in Singapore:

Singapore government implemented the "circuit breaker" plan from April to May in 2020 because of COVID-19. This led to decreased operating hours of the clinics which caused a decline of 8% in operating revenue. The TCM chain services had adjusted its operating structure to be more efficient. At the same time the Singapore government also awarded grants to the company to provide relief for the strenuous circumstances caused by COVID-19. This brought about an increase in net profit after tax of 66%, even though operating revenue fell by 8%.

2. Community medical chain services in Tianjin:

Outpatients in 2020 of Tianjin Ma Kuang increased relative to 2019, because Tianjin Ma Kuang was among the few clinics which were approved to operate by the government during COVID-19 period. In addition, Tianjin Ma Kuang used big data analysis to improve the efficiency of chronic disease management and was proactive in not renewing contracts for patients with high costs caused by drug abuse. As a result, its operating revenue, gross profit as well as net profit belonging to the parent company in 2020 increased by 10%, 95% and 397% respectively.

2. Financial revenues and profitability:

	Year	2020	2019
Financial structure (%)	Proportion of liabilities covered by assets	52.77	56.81
	Proportion of long-term funds covered by real estate, plant and equipment	294.84	303.53
Debt-paying ability (%)	Liquidity ratio	105.47	91.62
	Quick ratio	68.94	68.61
Profitability	Return on assets (%)	7.86	5.90
	Return on equity (%)	14.03	13.33
	Earnings per share (NT\$)	1.81	1.59

3. Budget execution: The Company did not disclose the financial forecast in 2020, so it is not applicable.

4. Research & development:

The company does not belong to the manufacturing industry and does not set up a special department for research and development. In terms of medication and health-care food, it is expected to bring the public good-quality, healthy and reassuring medication and health-care food under people's concern about food safety in recent years, through the strict check by the suppliers who have cooperated with the company for more than 20 years and the company's medical departments.

II. 2021 business plan:

1. Business guideline

We should actively improve the scale of medical services: we should ensure the stable development of the treatment medicine projects on the one hand and strengthen preventive medicine projects to serve more people on the other hand, and also carry out cooperation in various aspects with relevant medical industry to expand the medical business scope; in Singapore, we should strengthen the professional TCM services and plan to expand the specialized department of traditional Chinese medicine for women and children, and in Tianjin, we should continue to deepen the community medical services and provide professional medical services in terms of TCM, western medicine and the treatment of chronic diseases such as diabetes, so as to become a transnational health care chain group in Asia focusing on both quantity and quality.

2. Important production and marketing policy

The company is divided into following business entities:

1) TCM chain services and sales of Chinese herbal medicine in Singapore

At present, the business entity has a chain of 19 TCM clinics, 2 TCM beauty centers, 5 TCM maternity and child clinic and 1 Wong YiuNam herbal medicine shop which purchases and sells Chinese herbal medicine. In addition to providing TCM diagnosis by taking the pulse, massage, acupuncture and other medical services, it also sells natural herbal health care products and personal care products in the field of preventive medicine, so as to have the public enjoy the overall medical services both in physical and in mental and provide more convenient services for people everywhere through the establishment of online shopping malls.

2) Community medical chain services in Tianjin

The company has established a network of community medical chain services and health care with 13 comprehensive outpatient clinics of TCM and western medicine in Tianjin, which mainly provides professional treatment services in the fields of family medicine, chronic diseases, TCM massage, Chinese herbal medicine sales, dentistry and other special therapy. In

addition to continuing to expand the community medical services, the company will apply for an internet medical qualification to provide cloud services.

### III. Future development strategy of the company

#### 1. Singapore Entities to expand on clinics specializing in Women and Children

In 2018, the company added the only TCM based maternity and child clinic in Singapore, which has been highly appraised so far. It is expected to increase the number of TCM maternity and child clinics in the future, in order to provide more diversified and high-quality services. In addition, due to the higher gross profit of and the high dependence of the public on such maternity and child clinics, the market share of community medical services is expected to be improved in the future.

#### 2. Tianjin Ma Kuang expands community medical clinics and Internet medical care

The Company has established a network of community medical chain services and health care with 13 comprehensive outpatient clinics of TCM and western medicine in Tianjin and will continue to expand the community medical services. Moreover, Tianjin Ma Kuang is the first private medical institution in Tianjin to obtain an "Internet Medical Business License" issued by the government. Tianjin Ma Kuang will provide online family medical services and chronic disease management after the system is set up. It will provide internet medical services such as medical inquiry, health consultation, and delivery of medicines.

### IV. Influence by External Competition Environment, Regulatory Environment and General Business Environment

With the changes of governmental decrees in Singapore and the development and promotion of policies related to health reform in the Mainland, the business opportunities in the medical field are limitless. In addition to continuing to promote medical services in Singapore and Tianjin, the Company has also added a number of self-financed medical projects to take advantage of the long-term layout. The Company has carefully selected local partners, and has been deeply involved in the health industry for more than 20 years. We will expand its service categories through resource integration and expand the scope of services through chain clinics, providing convenient health care services for local people and enhance company competitiveness.

We hope that all shareholders can uphold the support and affirmation of the Company, and also provide us encouragement and advice. All staff of the Company will spare no pains to create profitable feedback to shareholders. Finally, we sincerely present gratitude and blessing to all shareholders on behalf of all staff of Ma Kuang Healthcare Holding Limited.

We wish you good health and all the best!

Chairman HUNAG,PO-WEN  
Manager HUANG,CHUAN-SHENG  
Accountant Officer CHEN YI-JUN

## **Appendix 2: Independent Directors' Review Report**

### **Ma Kuang Healthcare Holding Limited Audit Committee's Auditing Report**

The 2020 Consolidated Financial Statements of the Company have been audited by the Ernst & Young with audit reports issued. The Audit Committee of the Company cannot be convened due to the vacancy of independent directors; therefore, the above-mentioned Consolidated Financial Statements, the Business Report and Surplus Appropriation Statement have been approved by over 2/3 of the board members and all independent directors and exercised on behalf of the Audit Committee. The relevant report is made out issued in accordance with the Company Act and the Articles of Incorporation, please proceed to review.

**Regards,**

**2021 Shareholder Meeting of Ma Kuang Healthcare Holding Limited**

**Independent Director: HESE,SHUN-FA  
CHEN,SAN-ER**

**March 15, 2021**

**Appendix 3: Comparison Table For Regulations Governing Procedure For Board Of Directors Meetings Before And After Revision**

Amended Version	Original Version	Explanation
<p>Article 5-2</p> <p>The company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> <li>1. Corporate business plan.</li> <li>2. Annual and <u>semi-annual financial reports, need be audited and attested by a certified public accountant (CPA).</u></li> </ol> <p>The following is omitted.</p>	<p>Article 5-2</p> <p>The company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> <li>1. Corporate business plan.</li> <li>2. Annual and <u>semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).</u></li> </ol> <p>The following is omitted.</p>	<p>This criterion is revised in cooperation with competent authorities.</p>

## **Appendix 4:2020 Consolidated Financial Statements**

### English Translation of a Report Originally Issued in Chinese

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

To MA KUANG HEALTHCARE HOLDING LIMITED

#### **Opinion**

We have audited the accompanying consolidated balance sheets of MA KUANG HEALTHCARE HOLDING LIMITED and its subsidiaries (the “Group”) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years ended December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 consolidated financial statements. 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.

## 1. Revenue Recognition

The Group established operations across markets in different countries in Asia and provided a wide range of services. Due to the diversified services, it is necessary to determine whether the contract performance obligation and the applicable income recognition method is satisfied over time or at a certain point in time. We therefore considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of accounting policy of revenue recognition, testing the effectiveness of the internal control established by the management for revenue recognition, including identifying the integrity of performance obligations in customer contracts and the accounting treatment of recognition timing; conducting analytical procedures for gross profit margin; selecting samples to perform test of details and cut-off test to confirm that the revenue was recognized in the correct period.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

## 2. Goodwill Impairment Assessment

Goodwill recognized by the Group amounted to NT\$81,783 thousand as of December 31, 2020, which was material to the Group. Management must conduct impairment testing as required each year, and the impairment testing of goodwill involved significant management judgment, and the assumption of recoverable amount has a high degree of uncertainty in estimation, therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding management's identification basis for cash-generating units and evaluate whether it is appropriate; understanding the process and basis for the management to estimate the growth rate and profit rate predicted by the future operation prospects of the acquired companies; assess the evaluation model and important assumptions (including discount rate, etc.) used by the management, compare and check the assumptions used by the management with market data and historical data to confirm the appropriateness of the management's judgement.

We also assessed the adequacy of disclosures of goodwill impairment assessment. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

## **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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
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 ability to continue as a going concern of the Group. 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 accompanying notes, 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 2020 consolidated financial statements 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.

Charlie, Hsieh  
Calvin, Chen  
Ernst & Young, Kaohsiung, Taiwan  
15 March, 2021

Notice to Readers:

*The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with 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.*

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

English Translation of Financial Statements Originally Issued in Chinese  
MA KUANG HEALTHCARE HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6.(1)	\$100,347	7	\$72,927	5
Amortized cost financial assets, current	6.(2)	1,079	0	1,118	0
Accounts receivable, net	6.(3)(14)	115,378	8	106,249	8
Accounts receivable from related parties, net	6.(3)(14)/7	24,985	2	66,547	5
Other receivables, net	6.(14)	13,860	1	42,648	3
Other receivables from related parties, net	6.(14)/7	54,306	4	41,859	3
Inventories, net	6.(4)	63,954	5	84,470	6
Prepayments		24,230	2	17,641	1
Prepayment for investments	11	86,577	6	10,623	1
Other current assets		19,886	1	4,778	0
Total current assets		504,602	36	448,860	32
Non-current assets					
Fair value through other comprehensive income financial assets, non-current	6.(5)	122,483	9	99,632	7
Investments accounted for using the equity method	6.(6)	-	-	6,697	0
Property, plant and equipment	6.(7)/8	241,460	17	235,944	17
Right-of-use assets	6.(15)	210,507	15	207,140	15
Intangible assets	6.(8)(9)/8	89,845	6	94,657	7
Deferred tax assets	6.(19)	2,533	0	2,165	0
Refundable deposits	7	151,330	11	139,393	10
Long-term receivables, net	6.(14)	21,483	1	23,820	2
Long-term receivables from related parties, net	6.(14)/7	26,283	2	84,644	6
Other financial assets, non-current	8	48,369	3	45,231	4
Other non-current assets		-	-	414	0
Total non-current assets		914,293	64	940,737	68
Total assets		\$1,418,895	100	\$1,389,597	100

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

English Translation of Financial Statements Originally Issued in Chinese  
MA KUANG HEALTHCARE HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
<b>Current liabilities</b>					
Short-term loans	6.(10)	\$54,761	4	\$43,527	3
Contract liabilities, current	6.(13)	38,861	3	32,880	2
Notes payable		10,662	1	33,824	2
Accounts payable		23,206	2	88,550	6
Other payables		76,021	5	58,316	4
Current tax liabilities		9,610	1	7,623	1
Lease liabilities, current		99,628	7	113,526	8
Other current liabilities		220	0	180	0
Long-term borrowings-current portion		165,485	12	111,476	8
Total current liabilities		478,454	35	489,902	34
<b>Non-current liabilities</b>					
Long-term borrowings	6.(10)	142,063	10	186,000	14
Deferred tax liabilities	6.(19)	2,272	0	1,778	0
Lease liabilities, non-current	6.(15)	120,594	8	105,747	8
Other non-current liabilities		5,355	0	6,041	0
Total non-current liabilities		270,284	18	299,566	22
Total liabilities		748,738	53	789,468	56
<b>Equity attributable to owners of the parent</b>	6.(12)				
Capital stock					
Common stock		425,499	30	419,624	30
Capital surplus		35,420	2	35,420	3
Retained earnings					
Legal reserve		9,473	1	2,711	0
Special reserve		9,810	1	2,165	0
Unappropriated earnings		81,891	5	77,882	6
Total Retained earnings		101,174	7	82,758	6
Other equity		7,755	1	(7,645)	(0)
Equity attributable to owners of the parent		569,848	40	530,157	39
Non-controlling interests		100,309	7	69,972	5
Total equity	6.(12)(22)	670,157	47	600,129	44
Total liabilities and equity		\$1,418,895	100	\$1,389,597	100

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

English Translation of Financial Statements Originally Issued in Chinese  
MA KUANG HEALTHCARE HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

ITEMS	NOTE	2020		2019	
		Amount	%	Amount	%
Net operating revenue	6.(13)/7	\$910,240	100	\$1,020,189	100
Operating costs	6.(15)/6.(16)	(734,829)	(81)	(843,132)	(83)
Gross profit		175,411	19	177,057	17
Operating expenses	6.(15)/6.(16)/7	(115,243)	(13)	(158,248)	(16)
Expected credit profits (losses)	6.(14)	725	0	(4,686)	(0)
Operating income		60,893	6	14,123	1
Non-Operating income and expenses	6.(17)				
Interest revenue		3,830	0	3,452	0
Other income		64,589	7	18,098	2
Other gains and losses		3,079	0	66,715	7
Finance cost		(21,063)	(2)	(21,085)	(2)
Share of profit of associates accounted for using equity method	6.(6)	(1,722)	(0)	(3,757)	(0)
Expected credit losses	6.(14)	(2,179)	(0)	(7,753)	(1)
Total non-operating income and expenses		46,534	5	55,670	6
Income before income tax		107,427	11	69,793	7
Income tax expense	6.(19)	(7,947)	(1)	(5,442)	(1)
Net income		99,480	10	64,351	6
Other comprehensive income	6.(18)				
Items that will not be reclassified subsequently to profit or loss					
Equity instruments measured at fair value through other comprehensive income will not be reclassified subsequently to profit or loss		22,851	3	3,656	0
Other items that will not be reclassified subsequently to profit or loss		(21,244)	(2)	(7,485)	(1)
Income tax related to items that will not be reclassified		-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		14,487	2	(4,364)	(0)
Income tax related to items that may be reclassified subsequently		-	-	-	-
Other comprehensive income, net of income tax		16,094	3	(8,193)	(1)
Total comprehensive income		\$115,574	13	\$56,158	5
Net income for the periods attributable to :					
Shareholders of the parent		\$77,164	7	\$67,619	6
Noncontrolling interests		22,316	2	(3,268)	(0)
		\$99,480	9	\$64,351	6
Total comprehensive income for the periods attributable to :					
Shareholders of the parent		\$92,564	9	\$61,520	5
Noncontrolling interests		23,010	4	(5,362)	(0)
		\$115,574	13	\$56,158	5
Earnings per share	6.(20)				
Basic Earnings Per Share (in NT dollars):		\$1.81		\$1.59	
Diluted Earnings Per Share (in NT dollars):		\$1.81		\$1.59	

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

English Translation of Financial Statements Originally Issued in Chinese  
MA KUANG HEALTHCARE HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

ITEMS	Equity attributable to shareholders of the parent							Total equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Other Components of Equity	Equity Attributable to Shareholders of the parent	
Balance as of January 1, 2019	\$419,624	\$38,958	\$-	\$-	\$27,113	(\$6,116)	\$4,570	\$484,149
Impact of retroactive applications					(11,699)			(11,699)
Adjusted balance as of January 1, 2019	419,624	38,958	-	-	15,414	(6,116)	4,570	472,450
Appropriations of prior year's earnings			2,711	2,165	(2,711)			-
Legal Reserve					(2,165)			-
Special Reserve					(275)			(275)
Share of changes in net assets of associates accounted for using equity method					67,619			67,619
Net income for the year ended December 31, 2019					(6,099)			(6,099)
Other comprehensive income (loss) for the year ended December 31, 2019					(9,755)			(9,755)
Total comprehensive income					67,619			67,619
Increase (Decrease) in non-controlling interests								(3,538)
Balance as of December 31, 2019	\$419,624	\$35,420	\$2,711	\$2,165	\$77,882	(\$15,871)	\$8,226	\$530,157
Balance as of January 1, 2020	\$419,624	\$35,420	\$2,711	\$2,165	\$77,882	(\$15,871)	\$8,226	\$530,157
Appropriations of prior year's earnings			6,762	7,645	(6,762)			-
Legal Reserve					(7,645)			-
Special Reserve					(52,873)			(52,873)
Cash dividends	5,875				(5,875)			-
Stock dividends					77,164	(7,451)	22,851	77,164
Net income for the year ended December 31, 2020						(7,451)		22,316
Other comprehensive income (loss) for the year ended December 31, 2020						(7,451)		694
Total comprehensive income					77,164		22,851	25,010
Other								7,327
Balance as of December 31, 2020	\$425,499	\$55,420	\$9,473	\$9,810	\$81,891	(\$23,322)	\$31,077	\$609,848
								\$100,309
								\$670,157

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

English Translation of Financial Statements, Originally Issued in Chinese  
MA KUANG HEALTHCARE HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

Item	2020		2019	
	Amount	Amount	Amount	Amount
<b>Cash flows from operating activities:</b>				
Net income before tax	\$107,427	\$69,793		
Adjustments to reconcile net income before tax to net cash provided by operating activities:				
Depreciation	134,066	181,985		(5,550)
Amortization	1,688	2,026		(10,023)
Expected credit losses on investments in debt instruments	1,439	12,439		5,342
Interest expense	21,063	21,085		(11,131)
Interest revenue	(3,830)	(3,452)		928
Dividends income	(6,764)	(6,444)		(1,418)
Share of loss of associates accounted for using equity method	1,722	3,757		(5)
(Gain) loss on disposal of property, plant and equipment	(2)	794		-
(Gain) on disposal of investments	-	(60,811)		3,408
Total adjustments to reconcile profit	149,397	151,379		(414)
				(100,267)
<b>Changes in operating assets and liabilities:</b>				
Changes in operating assets				
(Increase) decrease in accounts receivable	(9,128)	(4,782)		-
(Increase) decrease in accounts receivable from related parties	43,665	(4,572)		(2,905)
(Increase) decrease in other receivable	34,767	2,214		225,292
(Increase) decrease in other receivable from related parties	42,485	(26,485)		(145,468)
(Increase) decrease in inventories	20,516	(29,528)		(158,615)
(Increase) decrease in prepayments	(5,207)	337		(465)
(Increase) decrease in other current assets	(4,472)	(1,869)		(2,759)
Changes in operating liabilities				
Increase (decrease) in contract liabilities	5,981	(1,570)		(21,123)
Increase (decrease) in notes payable	(23,162)	(3,795)		(102,043)
Increase (decrease) in accounts payable	(65,344)	(69,516)		(16,167)
Increase (decrease) in other payables	(7,123)	4,145		(41,095)
Increase (decrease) in other current liabilities	35	(38)		114,020
Total changes in operating assets and liabilities	33,013	(126,369)		72,927
Cash generated from operating activities	289,837	94,803		\$100,347
Interest received	3,830	3,452		
Dividends received	6,764	6,444		
Income tax paid	(5,754)	(4,819)		
Net cash provided by operating activities	294,677	99,880		\$72,927
<b>Cash flows from investing activities</b>				
Acquisition of investments accounted for using equity method				
(Increase) in prepayments for investments				(76,327)
Net cash flow from disposal of subsidiaries				-
Acquisition of property, plant and equipment				(10,531)
Proceeds from disposal of property, plant and equipment				239
(Increase) in refundable deposits				(11,937)
Acquisition of intangible assets				(92)
Cash received through merger				105
(Increase) in other financial assets				(2,138)
Decrease in other non-current assets				3,408
(Increase) in other non-current assets				(414)
Decrease in other non-current assets				414
Net cash (used in) investing activities				(100,267)
<b>Cash flows from financing activities:</b>				
Increase in short-term loans				26,625
(Decrease) in short-term loans				(12,820)
Proceeds from long-term loans				186,208
Repayment of long-term loans				(169,885)
Cash payments for the principle portion of the lease liability				(112,970)
(Decrease) in other non-current liabilities				(686)
Cash dividends paid				(52,873)
Interest paid				(21,036)
Net cash (used in) financing activities				(157,437)
Effect of exchange rate changes on cash and cash equivalents				(9,553)
Net increase (decrease) in cash and cash equivalents				27,420
Cash and cash equivalents at beginning of year				114,020
Cash and cash equivalents at end of year				\$100,347

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

**Appendix 5: Distribution Of 2020 Profits****Ma Kuang Healthcare Holding Limited****PROFIT DISTRIBUTION TABLE****2020**

Unit:NT\$

Beginning retained earnings	\$2,060,952
Add: Adjustments for August 2020 ( note I )	2,666,325
Beginning retained earnings at the end of the adjustment	4,727,277
Add: net profit after tax in 2020	77,163,381
Subtotal	81,890,658
To List the Legal reserve	(7,716,338)
Divisible surplus in 2020	74,174,320
Distribution items:	
Dividends of shareholders - cash (note II)	(68,079,858)
Unappropriated retained earnings	\$6,094,462
Note:	
I. The Distribution of 2020 Profits has been revised by the Board on Aug 10, 2020. The explanation is as follow: The Distribution surplus at the end of the revised original profit distribution table was NT\$2,060,952, and the final distribution at the end of the revision was NT\$4,727,277,the increase of 2,666,325 over the revised end-of-period distribution surplus, mainly due to an increase in net profit after tax of \$3,268,210 for the current year, a decrease of \$275,064 in the number of changes in related enterprises recognized by the equity law and a decrease in the statutory surplus of \$326,821.	
II. The shares issued are 42,549,911 on the end of March 15,2021: Cash dividend = NT\$1.6 per share	

**Appendix 6: Comparison Table For The Operational Procedures For Endorsement & Guarantee Before And After Revision**

Amended Version	Original Version	Explanation
<p>Article 3. <u>The amount of the endorsement guarantee</u></p> <ol style="list-style-type: none"> <li>1. <u>The total amount of the Company's external endorsements/guarantees shall not exceed 150% of the Company's net worth in the current period, of which the limit of endorsements/guarantees for a single enterprise shall not exceed 100% of its net worth.</u></li> <li>2. <u>The total amount of the external endorsements/guarantees of the Company and its subsidiaries shall not exceed 150% of the Company's net worth in the current period, of which the limit of the endorsements/guarantees for a single enterprise shall not exceed 100% of its net worth.</u></li> </ol> <p><u>If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</u></p>	<p>Article 3. <u>The total amount of the endorsements/guarantees and the limits of the individual object</u></p> <p><u>The Company aggregate amount of endorsements/guarantees for total financing amount shall not exceed 40% of the Company's net worth, and the aggregate amount of endorsements/guarantees for the subsidiaries shall not exceed 100% of the Company's net worth.</u></p> <p><u>The aggregate amount of endorsements/guarantees for any single entity shall not exceed 30% of the net worth. The total amount for lending to a company having a business relationship with the Company shall not exceed the total transaction amount between the parties during the period prior to the time of lending. For purposes of the Procedures, the “transaction amount” shall mean the sales or purchasing amount between the parties, whichever is higher.</u></p>	<p>This criterion is revised in cooperation with competent authorities.</p>
<p>Article 4</p> <ol style="list-style-type: none"> <li>1. The Company may make endorsements/guarantees for the following companies:             <ol style="list-style-type: none"> <li>(1). company with which it does business.</li> <li>(2). company in which the public company directly and indirectly holds more than 50% of the voting shares.</li> <li>(3). company that directly and indirectly</li> </ol> </li> </ol>	<p>Article 4</p> <ol style="list-style-type: none"> <li>1. The Company may make endorsements/guarantees for the following companies:             <ol style="list-style-type: none"> <li>(1). company with which it does business.</li> <li>(2). company in which the public company directly and indirectly holds more than 50% of the voting shares.</li> <li>(3). company that directly and indirectly</li> </ol> </li> </ol>	<p>This criterion is revised in cooperation with competent authorities.</p>

Amended Version	Original Version	Explanation
<p>holds more than 50% of the voting shares in the public company.  <u>Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>(The second to ninth paragraphs omitted)</p> <p>10.To handle the control procedure of endorsements/guarantees for subsidiaries</p> <p>(1).(omitted)</p> <p>(2).<u>If the object of endorsement guarantee is a subsidiary whose net value is less than 50% of the subsidiary 's paid-in capital, in addition to the detailed review of the necessity, reasonableness and risk assessment of the endorsement guarantee, the subsidiary shall be reviewed on a monthly basis and the impact of its endorsement guarantee amount on the Company's operational risk, financial position and shareholders' equity shall be re-evaluated annually, and whether the warranty or termination of the</u></p>	<p>holds more than 50% of the voting shares in the public company.  <u>The Company provided that this restriction shall not apply to endorsements/ guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>(The second to ninth paragraphs omitted)</p> <p>10.To handle the control procedure of endorsements/guarantees for subsidiaries</p> <p>(1). (omitted)</p> <p>(2).A subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	

Amended Version	Original Version	Explanation
<p><u>endorsement guarantee should be obtained.</u></p> <p>A subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p> <p>((3) and (4) are omitted.)</p>	<p>((3) and (5) are omitted.)</p>	

**Appendix 7: Comparison Table For The Rules And Procedures Of Shareholders Meeting Before And After Revision**

Amended Version	Original Version	Explanation
<p>Article 3</p> <p>The first,second paragraphs omitted.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1 of Article 185 of the <u>Company Act</u>, <u>Article 26-1 and Article 43-6 of the Securities and Exchange Act</u>, <u>Article 56-1 and Article 62-2 of the Regulations Governing the Offering and Issuance of Securitirs by Securities Issuers</u> shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The fourth paragraphs omitted.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>Proposals with the condition mentioned in Artrichel 172-1 item 4 shall not be taken as an item for discussion. In addition, when the circumstances of any subparagraph of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</u></p> <p>The following is omitted.</p>	<p>Article 3</p> <p>The first,second paragraphs omitted.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The fourth paragraphs omitted.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</u></p> <p>The following is omitted.</p>	

<p>Article 9 The first paragraphs omitted.</p> <p>The chair shall call the meeting to order at the appointed meeting time. <u>The chair shall duly announce the number of shares held by non-voting shareholders and the total number of issued shares tallied for voting rights during shareholders meetings.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>The following is omitted.</p>	<p>Article 9 The first paragraphs omitted.</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>The following is omitted.</p>	
<p>Article 14 (Election of directors and supervisors) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected <u>as well as the list of unelected directors and supervisors and the unnumber of votes they have obtained.</u></p> <p>The second paragraphs omitted.</p>	<p>Article 14 (Election of directors and supervisors) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p> <p>The second paragraphs omitted.</p>	

## Appendix 8: The Rules For Election Of Directors

# Ma Kuang Healthcare Holding Limited

## The Rules For Election Of Directors

Approved by the 6th meeting of the 2nd Director Board held on February 14, 2011

### Article 1.

To ensure a just, fair, and open election of directors and establish an excellent system of director elections for the Company, this regulation is drafted in accordance with the laws and regulations governing TWSE/GTSM listed companies. Except as otherwise provided by laws and regulations or by this Company's articles of incorporation, elections of directors shall be conducted in accordance with this regulation governing director elections.

### Article 2.

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.

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

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

### Article 3.

When the number of directors falls below five because of the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. The qualification and elections for the independent directors of the Company shall comply with the Company's articles of incorporation and the laws and regulations governing TWSE/GTSM listed companies. When the number of independent directors falls below that required under the Company's articles of incorporation and the laws and regulations governing TWSE/GTSM listed companies, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

### Article 4.

Except as otherwise provided by this regulation, for the director election, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

### Article 5.

The Company shall prepare separate votes for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each vote shall be specified on the votes, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the votes may be used instead of recording the names of voting shareholders.

Article 6.

Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 7.

The vote box of the director election shall be prepared by the board of directors and inspected by the monitors before votes are cast.

Article 8.

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the vote; for a non-shareholder, the voter shall enter the candidate's full name and ID card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the vote paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 9.

A vote is invalid under any of the following circumstances:

1. The vote was not prepared in accordance with this regulation.
2. A blank vote is casted into the vote box.
3. The handwriting is unclear and illegible or the vote has been altered.
4. If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity.
5. Other words or marks are entered in addition to the candidate's account name (name of a person) or shareholder account number (ID number/UBN) and the number of voting rights allotted.
6. The candidate's account name (name of a person) or shareholder account number (ID number/UBN) is not provided.
7. Two or more candidates are named on the same vote.

Article 10.

The directors of this Company should be elected from the shareholders with legal capacity. If the Company adopts the system of candidate nomination according to the Company's articles of incorporation and the laws and regulations governing TWSE/GTSM listed companies, the election of independent directors and non-independent directors shall be held together, but elections for these positions shall be calculated separately. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as independent directors and non-independent directors according to their respective numbers of votes. The candidates elected shall be based on the total number of votes received. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not attending.

If the directors elected are not qualified due to disqualification of personal information or not in accordance with the laws and regulations governing TWSE/GTSM listed companies, this opening will be taken over by the person with next high number of votes.

Article 11.

The votes shall be calculated on site immediately after the end of the poll, and the chairman shall announce on site the list of persons elected as directors.

Article 12.

If the election is not held in accordance with laws and regulations governing TWSE/GTSM listed companies (Article 26-3(3) and Article 26.3(4) of Securities and Exchange Act of R.O.C.), the election result is invalid.

Article 13.

The board of directors of the Company shall issue certificate to the persons elected as directors.

Article 14.

This regulation and any amendments hereto shall be implemented after approval by a shareholders meeting.

## **Ma Kuang Healthcare Holding Limited**

### **The Operational Procedures For Endorsement & Guarantee**

Approved by the 19th meeting of the 2nd Director Board held on March 26, 2013

Approved by the shareholders' meeting on June 20, 2013

Approved by the 17th meeting of the 4nd Director Board held on March 25, 2019

Approved by the shareholders' meeting on June 24, 2019

#### Article 1. Purpose

The procedure is drafted to protect shareholders' interest, improve the management of endorsement and guarantee, and reduce the risks of business operations. Any matters which are not provided herein shall be governed by applicable laws and regulations.

This procedure is drafted in accordance with the Article 36.1 of Securities and Exchange Act (hereinafter referred to as the Act). The Company should follow the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as the Regulations) when conducting endorsement and guarantee. However, if financial laws or regulations provide otherwise, such provisions shall govern.

#### Article 2. Range

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including:

A. Bill discount financing.

B. Endorsement or guarantee made to meet the financing needs of another company.

C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

#### Article 3. The total amount of the endorsements/guarantees and the limits of the individual object

The Company aggregate amount of endorsements/guarantees for total financing amount shall not exceed 40% of the Company's net worth, and the aggregate amount of endorsements/guarantees for the subsidiaries shall not exceed 100% of the Company's net worth.

The aggregate amount of endorsements/guarantees for any single entity shall not exceed 30% of the net worth. The total amount for lending to a company having a business relationship with the Company shall not exceed the total transaction amount between the parties during the period prior to the time of lending. For purposes of the Procedures, the “transaction amount” shall mean the sales or purchasing amount between the parties, whichever is higher.

#### Article 4. The content of the job

1. The Company may make endorsements/guarantees for the following companies:

- (1). A company with which it does business.
- (2). A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
- (3). A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

The Company provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where the company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

2. When handling the application or cancellation of the endorsements/guarantees, the application form shall be filled in by the handling department, which shall state the company, type, reason, term and amount of the endorsements/guarantees, and send it to the authority and responsibility unit for the necessary risk assessment procedures such as credit and reasonableness, and state the impact on the operating risk, financial situation and shareholders' equity of the company, and submit it to the CEO and chairman of the board of directors for decision.

When a manager or organizer violates the company's endorsement guarantee operating procedures and causes losses to the company, it shall be handled in accordance with the relevant regulations of the company.

3. Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

4. The financial unit shall establish a checkbook on the matter of endorsements/guarantees, and publish in detail the promise guarantee matters, the object of the endorsements/guarantees, the amount of the endorsements/guarantees, the results of the risk assessment, the contents of obtaining the collateral and the date and conditions for the release of the endorsement guarantee liability.

Authorize the chairperson by board resolution, within a certain monetary limit , to give loans in instalments or to make a revolving credit line available, and it was subsequently reported to the board of directors of the latest issue for recognition.

The public company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the independent director in writing of any material violation found.

5. When the board of directors, the financial unit shall prepare a "change form of the amount guaranteed " as of last month and submit it to the board for examination.

6. The Company's information on endorsement guarantee matters shall be provided to the external auditor and shall be described in the accounting report.

7. The Company's endorsement guarantees that the seal of the company shall be sealed by the company, and that the seal of the company shall be kept by a special officer designated by the chairman with the consent of the board of directors, and shall be printed or issued in accordance with the relevant prescribed procedures.

8. Announcement of the declaration process

The Company shall handle the relevant announcement matters in accordance with the announcement standards stipulated in the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by the Gold Management Council on matters relating to endorsement guarantee.

9.If a subsidiary of the Company intends to handle or provide endorsement guarantee for others due to business needs, the Company shall urge the subsidiary company to establish the procedures for the operation of endorsement guarantee in accordance with these Measures.

10.To handle the control procedure of endorsements/guarantees for subsidiaries

(1).If a subsidiary of the Company intends to endorse a guarantor of another person, it shall also set this operating procedure and handle it in accordance with this operating procedure, but the net worth shall be based on the net value of the subsidiary, and the endorsement guarantee of the parent subsidiary within the Group shall be handled in accordance with the provisions of the parent company.

(2).A subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

(3).Subsidiaries shall prepare a schedule of endorsement guarantees for others in the previous month on a monthly basis and submit them to the Company

(4).The public company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the independent director in writing of any material violation found.

(5).When conducting an inspection by the Auditor of the Company in accordance with the annual audit plan to the Subsidiary Company, he shall, together with the subsidiary, undertake the procedures for the guarantee of the endorsement of others and its implementation, and shall continuously track the improvement of the subsidiary if any deficiencies are found and submit a follow-up report to ascertain that it has taken appropriate improvement measures in real time.

11."Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

12.The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement/guarantee, whichever date is earlier.

13. A foreign company (hereinafter referred to as a foreign company) that endorses or provides a guarantee to another person as stipulated in Article 165 of the Securities Exchange Law shall be allowed to do so in accordance with the provisions of these Guidelines.

If a foreign company does not have a seal, it may not apply the provisions of Article 12 paragraph 7, and Article 17 paragraph 4 of the Guidelines for the Processing of Loans and Endorsement Guarantees of Publicly Issued Companies.

Net value calculated by a foreign company in accordance with these Guidelines means that the balance sheet is attributable to the interests of the owner of the parent company.

14. Where the Company has established an independent director, it shall notify the individual supervisor of the matter in writing in accordance with the provisions of Article 15 paragraph 2 or Article 18 paragraph 2 of these Guidelines, and shall send the independent director together with the improvement plan of the supervisor in accordance with Article 16 or Article 20.

Where a public offering company has set up an audit committee, the provisions of Articles 15, 16, 18 and 20 of these Guidelines for the ombudsman shall be approved by the Audit Committee.

#### Article 5. Implementation and Amendments

1. This procedure should be sent for approval both to the board of directors and to the shareholders' meeting. This rule applies to amendments as well. If the company has set up the audit committee, this procedure should be sent to the audit committee for approval, and then both to the board of directors and to the shareholders' meeting for approval as well. Opinions proposed by independent directors should be thoroughly taken into consideration. The oppositions and reserved opinions should be recorded into the minutes of board meetings.

If the company does not intend to endorse or guarantee, after the approval of the board of directors, the procedure of endorsement and guarantee does not need to be drafted. If the company decides to endorse or guarantee afterward, the above-mentioned rule should apply. If the company has set up the audit committee, the establishment or amendment of the procedure of endorsement and guarantee should follow the Article 8.4, Article 8.5 and Article 8.6 of this Regulations.

2. This operating procedure is scheduled for 29 January 1999 in the Republic of China

**Appendix 10: Original The Rules And Procedures Of Shareholders Meeting**  
**Ma Kuang Healthcare Holding Limited**  
**Rules and Procedures of Shareholders' Meeting**

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5(Principles determining the time and place of a shareholders meeting)

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

Article 6(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

Article 7(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair.

Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

#### Article 8(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 9

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

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

adjourned.

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

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

#### Article 10(Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

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

#### Article 11(Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If

the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

#### Article 12(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

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

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately

after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 14(Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

#### Article 16(Public disclosure)

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

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

Article 17(Maintaining order at the meeting place)

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

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

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

Article 18(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 19

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

## Appendix 11: Articles Of Incorporation

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### The Companies Law (2020 Revision)

#### Company Limited by Shares

#### Tenth Amended and Restated Articles of Association

of

#### MA KUANG HEALTHCARE HOLDING LIMITED

(as adopted by a Special Resolution passed on 16 June 2020)

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2020 Revision) (as amended from time to time) shall not apply to this Company.

#### 2. INTERPRETATION

(a) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:-

**Applicable Listing Rules** the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any stock exchange or securities market of the R.O.C., including, without limitation the relevant provisions of Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the GTSM or the TWSE;

**Articles** these Articles of Association of the Company in their present form, as amended or substituted from time to time amended or supplemented by Special Resolution;

**Audit Committee** has the meaning set forth in Article 53(c);

**Audit Committee Members** members of the Audit Committee for the time being;

**Auditors** the Auditors for the time being of the Company, if any;

Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 55;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company;
Company	MA KUANG HEALTHCARE HOLDING LIMITED;
Constituent Companies	an existing company that is participating in a Merger with one of more other existing companies within the meaning of the Law and the R.O.C. Law;
Cumulative Voting System	means in the process of electing directors at a general meeting of the Company, whereby each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected;
Directors or Board	the directors of the Company for the time being or, as the case may be, the directors assembled as a board or as a committee thereof;
electronic	shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;
electronic communication	transmission to any number, address or internet website or other electronic delivery methods as may be decided and approved by not less than two-thirds of the vote of the Board, subject to the Law;

Emerging Market	the emerging market board of the GTSM;
FSC	Financial Supervisory Commission, Executive Yuan, the R.O.C;
GTSM	the GreTai Securities Market in Taiwan;
Independent Directors	those Directors appointed as "Independent Directors" pursuant to the requirements of these Articles and the Applicable Listing Rules;
the Law	the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by law for the time being in force;
Merger	a merger and/or a consolidation as defined in the Law: (a) "merger" means the merging of two or more Constituent Companies and vesting of their undertaking, property and liabilities in one of such companies as the Surviving Company. (b) "consolidation" means the combination of two or more Constituent Companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the Consolidated Company;
Member or Shareholder	a Person who is duly registered in the Register of Members as the holder of any Share or Shares in the Company and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber as well as persons who are jointly so registered, and "Members" or "Shareholders" means 2 or more of them;
Memorandum of Association	the memorandum of association of the Company, as amended or substituted from time to time;
Month	a calendar month;

MOPS	the Market Observation Post System maintained by the TWSE and the GTSM;
Ordinary Resolution	a resolution passed by a simple majority of such Members being entitled to vote in person thereat or, where proxies are allowed, by proxy or, in the case of any Members being a corporation, by its duly authorised representative, present at a general meeting of the Company held in accordance with these Articles and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled;
Person	any natural Person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Private Placement	an offer by the Company of its securities to specific persons pursuant to the Applicable Listing Rules;
Register or Register of Members	the register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time, as required to be kept pursuant to the Law;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first registered in the Emerging Market or become listed on the GTSM, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
Remuneration Committee	has the meaning set forth in Article 56;
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Company Act	means the Company Act of the Republic of China, as amended from time to time;

R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
R.O.C. Laws	the laws and regulations of the R.O.C., including without limitation to the Applicable Listing Rules;
Secretary	Any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Seal	the common seal of the Company (if applicable) or any facsimile for official seal (if applicable) for use outside of the Cayman Islands;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account established in accordance with these Articles and the Law;
Share Swap	an act wherein the shareholders of a company transfer all of the company's issued shares to another company, and such company issues its shares or pays cash or other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Listing Rules;
Shareholders' Service Agent	the agent licensed by the authorities of the R.O.C. and having its office in the R.O.C. to provide certain members services, in accordance with the Applicable Listing Rules, to the Company;
Signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 85(a);
Special Resolution	means a special resolution of the Company passed in accordance with the Law, being a resolution passed by majority of not less than two-thirds of Members as, being entitled to do so, vote in Person or by proxy or,

in the cases of Members which are corporations, by their respective duly authorised representatives, at a general meeting of the Company of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given, and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;

Special Share	has the meaning given thereto in Article 4;
Spin-off	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;
Subordinate Company	companies (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation; (iii) of which a majority of Directors are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock are held by the Members of the Company;
Surviving Company	means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of the Law and the R.O.C. Laws;
Taiwan Clearing House	means the Taiwan Clearing House established by the Taiwan Payments Clearing System Development Foundation to process check clearing and settlement

services; and

TWSE                      the Taiwan Stock Exchange.

- (b) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (c) In these Articles unless the context otherwise requires:-
  - (i) words importing the singular number shall include the plural number and vice-versa;
  - (ii) words importing the masculine gender only shall include the feminine and neuter genders;
  - (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not;
  - (iv) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
  - (v) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (d) The headings herein are for convenience only and shall not affect the construction of these Articles.

#### 1.1.1.1 SHARES

- 3. (a) Subject to the Law and as otherwise provided in these Articles, all Shares for the time being and from time to time unissued may be offered, issued, allotted, or disposed of in such manners, to such persons, on such terms and having such rights and being subject to such restrictions as the Board of Directors from time to time and in its discretion determine.
- (b) Issuance of new ordinary 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. The Company shall not issue any unpaid Shares or partial paid-up Shares.
- (c) During the Relevant Period, if at anytime the Board resolves to issue new Shares:
  - (i) Upon each issuance of new Shares, the Board of Directors may reserve not

more than fifteen percent (15%) of the newly issued Shares for subscription by the designated employees of the Company who are determined by the Board in its reasonable discretion;

- (d) The Company shall, unless otherwise resolved by an Ordinary Resolution, after reserving the portion of Shares for subscription by its employees according to the provisions in these Articles and those retained for public issuance according to the law of the R.O.C., first offer such remaining new Shares, by a make public announcement of and notify its then-existing Members of such new issuance in accordance to the Applicable Listing Rules to allow such Members to subscribe the new Shares in proportion respectively to their original shareholding according to the preemptive rights vested therein and shall state in the notice that if any Member fails to subscribe for the new Shares within the stated timeframe, his right shall be forfeited.

Where the shareholding of an existing Member does not allow his subscription of one newly-issued Share, the shareholding of several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member.

New Shares left unsubscribed by original Members may be offered for public issuance or for subscription by specific person or persons through negotiation.

- (e) Existing Members' preemptive right stipulated in Paragraph (d) of this Article will not apply to the issuance of new Shares of the Company in the following situations:
- (i) in connection with merger with another company, split up of the Company, or reorganization of the Company;
  - (ii) in connection with the Company's performance of obligations regarding employees Share subscription warrant or Share subscription right agreement;
  - (iii) in connection with the Company's performance of obligations regarding convertible corporate bonds or corporate bonds with warrants;
  - (iv) in connection with the Company's performance of obligations regarding Share subscription warrant or Share subscription right agreement; and
  - (v) any other exemptions provided under the R.O.C. Laws.
- (f) When the Company increases its issued share capital by issuing new Share for cash consideration in the R.O.C., unless the competent authority in the R.O.C. considers that public issuance is not necessary or inappropriate for the Company to conduct, the Company shall allocate ten percent (10%) of the total amount of new Shares to be issued for public issuance within the R.O.C., PROVIDED THAT if a percentage higher than the aforementioned 10% is approved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.
- (g) In issuing new Shares, the Company shall make public announcement and advise, by notice, to Existing Members to subscribe for, with preemptive right, the new Shares,

except otherwise resolved by Members, in proportion to their respective original shareholding and shall state in the notice that if any Member fails to subscribe for new Shares, his right shall be forfeited. Where a fractional percentage of the original Shares being held by an Existing Member is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member. New Shares left unsubscribed by Existing Members may be open for public issuance or for subscription by specific person or persons through negotiation. If any Member who has subscribed the new Shares fails to pay when due any amount of the subscription price in relation to such newly Shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription.

4. Variation of Rights Attached to Shares:

- (a) Subject to the provisions, if any, in the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing Shares, the Company may issue Shares of different classes with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of Share capital or otherwise to those of ordinary Shares issued by the Company (“**Special Share**”), with the approval of a Special Resolution of that class from time to time.

Subject to the provisions the Law, regulations of the R.O.C. and these Articles, the Company may issue Share on the terms that they are, or at the option of the Company or the holders are liable, to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or the Member on such terms and in such manner as the Company may by a Special Resolution resolve.

- (b) Prior to the issuance of any Special Shares approved pursuant to the preceding paragraph of this Article, these Articles shall be amended to set forth the rights and obligations of the Special Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of Special Shares:
- (i) the total number of Special Shares that have been authorized to be issued and total number of Special Shares already issued;
  - (ii) the order, fixed amount or fixed ratio for allocation of dividends and bonus on Special Shares;
  - (iii) the order, fixed amount or fixed ratio allocation of residual assets of the Company;
  - (iv) the order of or restrictions on the exercise of voting right(s) (including those without voting rights) of Members of the Special Shares;
  - (v) other matters related to the rights and obligations of Special Shares; and

- (vi) the conditions and methods when the Company is authorized or compelled to redeem any Special Share; or a declaration that the redemption rights shall not apply.
  - (c) Whenever the share capital of the Company is divided into different Classes of Shares, including where Special Shares are issued, subject to Article 110, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.
5. (a) The Company may issue Shares without printing share certificates. Any share certificate of the Company, if any, shall not be the bearer certificate. During the Relevant Period, the Company shall not issue share certificates and the share certificates existing prior to the Relevant Period shall be cancelled, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his name. The Company shall not issue bearer share certificates.
- (b) During the Relevant Period, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver Shares by book-entry transfer to the subscribers within thirty (30) days from the date such Shares may be delivered pursuant to the Law. The Company shall make a public announcement in accordance with Applicable Listing Rules prior to the delivery of such Shares.
6. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or actual interest in any Share (except only as otherwise provided by these Articles, the Law or law otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder, but the Company may in accordance with the Law issue fractions of Shares.
7. Subject to these Articles, the Shares shall be at the disposal of the Board, and they may (subject to the provisions of the Law) allot, grant options, issue warrants or other similar rights with respect thereto over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law.

In issuing restricted Shares for employees, the Company shall adopt a resolution passed by a majority of the votes exercised by the Members present at the general meeting who represent not less than two-thirds of the outstanding shares of the Company. In the event the total number of Shares held by the Members present at the general meeting is less than the percentage of the total shareholdings requirement as the aforesaid, the resolution may be adopted by two-third of the votes exercised by the Members present at the general meeting who represent a majority of the outstanding shares of the Company.

Where the Company issues new Shares in accordance with the preceding paragraphs, the related matters regarding the number of new Shares for issuance, issuance price, issuance

conditions and other matters relating to the issue of new Shares shall comply with R.O.C. securities laws and regulations.

### **EMPLOYEE INCENTIVE PROGRAM**

8. The Company may, upon adoption of a resolution by a majority voting of the Directors present at a meeting of the Board attended by two-thirds of the Directors, adopt one or more employee incentive program(s) which are consistent with the Applicable Listing Rules and according to such plan(s) the Company may issue Shares, options, warrants or other similar rights for acquiring Shares of the Company in order for the employees of the Company or of the subsidiaries of the Company to acquire Shares of the Company in accordance with the regulations of the R.O.C.
9. Any options, warrants or other similar rights for acquiring Shares of the Company issued by the Company according to the employee incentive program(s) stipulated in Article 8 shall not be transferred or assigned unless through inheritance.

### **RIGHT OF APPRAISAL**

10. Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:
  - (a) the Company proposes to undertake a Spin-off, Merger or Share Swap;
  - (b) the Company proposes to enter into, amend, or terminate any lease contract, management contract or joint operation contract;
  - (c) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
  - (d) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.
11. (a) Without prejudice to the Law, any Member exercising his rights in accordance with Article 10 (the "Dissenting Member") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection stating the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's Shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at

the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

- (b) Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's Shares, then, within thirty (30) days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Shareholders. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.
- (c) Notwithstanding the above provisions under these Articles 10 and 11, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a Merger or consolidation.

### **TRANSFER AND TRANSMISSION OF SHARES**

- 12. Subject to the Law and Applicable Listing Rules, Shares issued by the Company shall be fully paid up when issued.
- 13. Subject to the Law and Applicable Listing Rules, Shares issued by the Company shall be freely transferable, provided that any Share subscribed by the employees of the Company may be subject to transfer restrictions for the period no longer than two years as the Board may determine in their discretion.
- 14. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register.
- 15. The registration of transfers may be suspended when the Register is closed in accordance with Article 108.
- 16. All instruments of transfer that are registered, if any, shall be retained by the Company.
- 17. [Deleted]
- 18. [Deleted]
- 19. [Deleted]
- 20. In the case of the death of a Member, the survivor, and the legal personal representative of a deceased where he was sole or only surviving holder of a Share shall be the only persons recognised by the Company as having any title to the Share. In case of a Share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor where he was a sole or only surviving holder of a Share, shall be the only persons recognised by the Company as having any title to the Share.

21. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be properly required by the Directors, and subject as hereinafter provided, have the right either to be registered as a Member in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt person before the death or bankruptcy.
22. A person becoming entitled to a Share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

### **ALTERATION OF CAPITAL**

23. Subject to Article 110, the Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes of such par value, as the resolution shall prescribe.
24. Subject to any direction to the contrary that may be given by the Company in general meeting, all new Shares shall be at the disposal of the Directors in accordance with Article 7.
25. (1) The Company may by Ordinary Resolution:
  - (a) consolidate and divide all or any of its Share capital into Shares of a larger par value than its existing Shares;
  - (b) sub-divide its existing Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Law; and
  - (c) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital the amount of the Shares so cancelled.
- (2) The Company may by a Special Resolution reduce its share capital in the manner authorised, provided that it has applied by petition to the Grand Court of the Cayman Islands for an order confirming the reduction, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules. During the Relevant Period, a capital reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Laws or the Applicable Listing Rules.

In reducing the capital, subject to the Law and the approval of the Grand Court of the Cayman Islands, the Company may return share prices (or the capital stock) to Members by properties other than cash; the returned property and the amount of such

substitutive capital contribution shall require a prior approval of the Members and obtain consents from the Members who receive such property.

The board of directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the preceding Paragraph audited and certified by a certified public accountant in ROC before the general meeting.

26. (1) Subject to the provisions of the Law, the Memorandum of Association and these Articles, the Company may purchase its own Shares, including any redeemable Shares, provided that the manner of purchase has first been authorised by Ordinary Resolution and may make payment therefor or for any redemption of Shares in any manner authorised by the Law, including out of profits of the Company or out of the proceeds of a fresh issue of Shares.
- (2) Any power of the Company to purchase or otherwise acquire its own Shares shall be exercisable upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, upon such terms and subject to such conditions as it thinks fit and shall also be subject to the Law and these Articles and, for so long as the Shares of the Company are listed on the Designated Stock Exchange, the Applicable Listing Rules. Subject to the Law, Shares may be purchased out of profits of the Company, out of the proceeds of a fresh issue of Shares made for the purposes of the purchase, or by a payment out of capital as the Board may determine, and shall be purchased for cash, unless otherwise directed by the Members. Any Shares so purchased shall be deemed cancelled immediately. The related matters regarding buying back shares of the Company shall comply with ROC securities laws and regulations.
- (3) As the Company buys back its shares and assigns or transfers those shares to the employees, the Company may restrain such shares from being further assigned or transferred to others within a specific period of time which shall in no case be longer than two (2) years.

## **GENERAL MEETINGS**

27. Convention of General Meetings:
- (a) All general meetings other than annual general meetings shall be called special general meetings.
- (b) The general meetings shall be held at least once every year.
- (c) The Board may, whenever they think fit, convene a general meeting of the Company.
- (d) The Company shall convene and hold a general meeting as its annual general meeting within six (6) months after the close of each fiscal year. The general meeting shall be convened by the Board.
- (e) During the Relevant Period, all general meetings of the Company shall be held in the R.O.C., provided if the Board proposes to hold a general meeting outside the R.O.C., the Company shall notify the GTSM for approval (or the TWSE, if applicable)

within two (2) days from a resolution of the Board passing such proposal or the Member acquires approval from the authorities. When the Company holds a general meeting outside the R.O.C., the Company shall designate an institution, approved by the FSC and the GTSM, to handle administrative matters of such general meeting (such as voting) in the R.O.C..

- (f) Any one or more Members continuously holding in the aggregate of three percent (3%) or more of the paid up share capital of the Company for a period of one (1) year or a longer time may, by depositing a written requisition notice setting forth therein the subjects for discussion and the reasons, request the Board to convene a special general meeting of Members. If the Board fails to give a notice to Members for convening such meeting within 15 days after the filing of such requisition notice, the requisitionists themselves may, after obtaining an approval from the competent authority, convene a special general meeting of Members on his/their own in the same manner.
- (g) Subject to the Law, Member(s) holding one percent (1%) or more of the total number of outstanding Shares of the Company may submit to the Company proposals by written or electronic methods for resolution at an annual general meeting of the Company. The board of directors of the Company shall include the proposal submitted by a Member in the list of proposals to be discussed at the general meeting unless any of the following circumstances is applicable: (i) where the number of shares of the Company held by the Member making the said proposal is less than one percent (1%) of the Existing Members, (ii) the subject of the said proposal cannot be settled or resolved by a resolution to be adopted at the general meeting, (iii) the said proposal is submitted on a day beyond the deadline fixed and announced by the Company, or (iv) the said proposal containing more than 300 words or more than one matters in a single proposal. Notwithstanding the above, if any proposal is made for the purpose of urging a company to promote public interests or fulfill its social responsibilities, such proposal may still be included in the list of proposals to be discussed at a general meeting by the board of directors.
- (h) Members continuously holding 50% or more of the total number of outstanding shares of the Company for a period of three months or a longer time may convene a special shareholders' meeting. The calculation of the holding period and the shareholding of the Members shall be based on the holding at the time of share transfer suspension date.

## 28. Notice of General Meeting:

- (a) At least thirty (30) days' notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days' notice in writing prior to the scheduled date of any special general meetings, specifying the place, the day and the time of meeting and, in the case of special business, the general nature of that business, shall be given in manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meeting ("**Cause(s) or Subject(s) of a General Meeting**"), to each Member. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which the general meeting is to be held and shall specify the place, the day and the time of the meeting and the agenda and the proposals to be resolved at the general meeting. The notice

for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Members or as permitted by the Law and the R.O.C. Laws. With the consent of all the Members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice or without notice and in such manner as those Members may think fit. At least thirty days' notice of an annual general meeting and at least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The Company shall include in the meeting notice, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the general meeting agenda. Where voting powers at a general meeting are to be exercised in writing, a print version of the materials referred to in the preceding paragraph and a printed ballot shall also be sent to the Members.

- (b) The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any Member entitled to receive notice shall not invalidate the proceedings at any meeting.
- (c) For the purpose of this Article, the following matters shall be regarded as special business and be specified in the notice of a general meeting with the description of their major content, and shall not be brought up as ad hoc motions and the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice:
  - (i) Election or discharge of Directors;
  - (ii) Alteration(s) and/or amendment(s) of the Memorandum of Association or these Articles;
  - (iii) Reduction of capital;
  - (iv) Application for the approval of ceasing its status as the Company;
  - (v) Winding-up, Merger, Share Swap, Spin-off of the Company;
  - (vi) Entering into, amending, or terminating any contract for lease of the Company's business in whole, any contract delegating the Company's operations to others or any contract forming joint operations with others;
  - (vii) Transferring the whole or any material part of its business or assets;
  - (viii) Accepting the transfer of another's entire business or assets, which has great bearing on the business operation of the Company;
  - (ix) Private Placement of any equity-type securities of the Company;
  - (x) Approving Director's actions against non-compete obligations;

- (xi) Distributing all or part of dividends and/or bonus through issuance of new Shares;
- (xii) During the Relevant Period, if the Company (i) enters into a Merger, in which the Company is not the surviving company, (ii) makes a general transfer of all the business and assets, (iii) is being acquired by another company as its wholly-owned subsidiary by means of a Share Exchange, or (iv) carries out a Spin-off, and the surviving company, assigned company, acquirer, or the newly incorporated spun-off company is a Non TPEX-Listed Company, then it is necessary for the Company to pass 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.
- (xiii) Distributing legal reserves, the premium in excess of the par value of the shares issued and the donated surplus to the Existing Members through issuance of new Shares.

## 29. General Meeting Agenda:

During the Relevant Period, the Company shall prepare the general meeting agenda handbook and supplemental materials and shall comply with applicable regulations of the R.O.C. within fifteen (15) days before Company is to convene an annual general meeting, and to upload such materials to the place on the internet as designated by the FSC and the GTSM (Market Observation Post System) within twenty one (21) days before an annual general meeting or fifteen (15) days before a special general meeting.

## 30. Resolution

- (a) No business shall be transacted at any general meeting unless a quorum of Members is present at the time that the meeting proceeds to business. Save as otherwise provided by these Articles, one or more Members holding in the aggregate not less than a majority of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum for all purposes.
- (b) Unless otherwise provided herein or required by the Law, resolutions at a general meeting shall be adopted by an Ordinary Resolution. The Company may from time to time by an Ordinary Resolution:
  - (i) increase the share capital as stipulated in Article 23;
  - (ii) consolidate or dividing all or any of its Share capital into Shares of a par value larger than that of its existing Shares as stipulated in Article 25;
  - (iii) sub-divide its existing Shares, or any of them, into Shares of par value smaller than that fixed by the Memorandum of Association, subject nevertheless to the provisions of Section 13 of the Law as stipulated in Article 25;
  - (iv) cancel any Shares which, on the date of the passing of the resolution, have not been taken or agreed to be taken by any person as stipulated in Article 25; and

- (v) declare dividends and other interests as stipulated in Article 86.
- (c) The Company may from time to time by a Special Resolution:
- (i) Entering into, amending, or terminating any contract for lease of the Company's business in whole, any contract delegating the Company's operations to others or any contract forming joint operations with others, transferring the entire or any essential part of its business or assets, or accepting the transfer of another's whole business or assets which has great bearing on the business operation of the Company;
  - (ii) Approving the alteration(s) and/or amendment(s) of the Memorandum of Association or these Articles;
  - (iii) Approving any modification or alteration in the Memorandum of Association or these Articles prejudicial to the privileges of Special Shares and such approval shall be adopted in a resolution by a separate general meeting;
  - (iv) Distributing all or part of its dividends or bonus by way of issuance of new Shares;
  - (v) Approving the winding-up, Merger, Spin-off of the Company ;
  - (vi) Issuing restricted stock for employees;
  - (vii) Carrying out a Private Placement of any equity-type securities of the Company; and
  - (viii) Share Swap.
- (d) During the Relevant Period, if the Company (i) enters into a Merger, in which the Company is not the surviving company, (ii) makes a general transfer of all the business and assets, (iii) is being acquired by another company as its wholly-owned subsidiary by means of a Share Exchange, or (iv) carries out a Spin-off, and the surviving company, assigned company, acquirer, or the newly incorporated spun-off company is a Non TPEX-Listed Company, then it is necessary for the Company to pass 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.
- (e) The Company may from time to time by a Special Resolution:
- (i) enter into, amending, or terminating any contract for lease of the Company's business in whole, any contract delegating the Company's operations to others or any contract forming joint operations with others;
  - (ii) transfer the entire or any essential part of its business or assets, provided;

- (iii) accept the transfer of another's whole business or assets which has great bearing on the business operation of the Company;
  - (iv) distribute all or part of its dividends or bonus by way of issuance of new Shares;
  - (v) effect any Spin-off of the Company in accordance with the R.O.C. Law; and
  - (vi) carry out a Private Placement of any equity-type securities of the Company.
31. At any general meeting convened upon the requisition of Members, if a quorum is not present at the time appointed for the meeting, such meeting shall be dissolved; provided however, that the Chairman may postpone the meeting to convene at a later time on the same date. Such postponement shall be limited to no more than two times, and the total period of postponement shall not exceed one hour.
32. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. In case the Chairman is not present at the general meeting or is unwilling to act as chairman of such general meeting, the Chairman shall designate one of the Directors to act as the chairman of such general meeting. In the absence of such designation, the Director(s) may choose one of them to be the chairman of such general meeting. Matters not stipulated in these Articles shall be processed according to the Rules of Procedure for General Meetings, subject to the Law.
33. For a general meeting convened by any Person other than the Board having the convening right, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons. Matters not stipulated in these Articles shall be processed according to the Rules of Procedure for General Meetings., subject to the Law.
34. The chairman of the general meeting may by Ordinary Resolution at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for more than five (5) days, notice of the adjourned meeting shall be given as in the case of an original meeting.
35. At any general meeting, a proposal for resolution shall be decided on a poll.
36. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
37. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
38. In case the procedure for convening a general meeting of Members or the method of

adopting resolutions is in violation of the Law, the Applicable Listing Rules, the Memorandum of Associations or these Articles, a Member may, within thirty (30) days from the date of the said resolution, submit a petition to the Taiwan Taipei District Court or the competent court in the Cayman Islands, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

39. Unless otherwise expressly required by the Law or these 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.
40. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

### **VOTES OF MEMBERS**

41. Except otherwise provided in these Articles, and subject to any rights and restrictions for the time being attached to any Share, every Member who is present in person (or in the case of a Member being a corporation, by its duly authorised representative) and every Person representing a Member by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder which is fully paid or credited as fully paid.
42. A Member who has a personal interest in the matter under discussion at a general meeting, which may impair the interest of the Company, shall not exercise his voting right, neither is he/she entitled to vote on behalf of another Member. Where the Company has knowledge that any Member is, under the R.O.C. Laws, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.
43. Subject to the Law, the Shares shall have no voting rights under any of the following circumstances:
  - (a) the Shares of the Company that are held by its Subordinate Company, where the total number of voting shares or total amount of capital held or invested by the Company in such a Subordinate Company represents more than one half of the total number of voting shares or the total voting capital of such a Subordinate Company; or
  - (b) the Shares of the Company and its Subordinate Company(ies) that are held by another company, where the total number of the voting shares or total voting capital of that company held or invested by the Company and its Subordinate Company(ies) directly or indirectly represents more than one half of the total number of the voting shares or the total voting capital of such a company.
  - (c) the Shares that are held in accordance with Article 197-1 of the R.O.C. Company Act.

The Shares held by Members pursuant to this Article 43 (a) and (b) will not be counted

for quorum purposes, but the Shares held by Members pursuant to this Article 43(c) may be counted for quorum purposes. The Shares held by Members having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a general meeting.

44. Where there are several persons owning the same Share or Shares, such joint Members shall select a representative among them to exercise their shareholders rights. The vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members. The joint Members of a Share or Shares shall be jointly and severally liable to the Company to pay for such Share or Shares.

If a member whose shares have been issued in public holds shares for others, such member may exercise his/her/its voting power separately.

Regulations governing the qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately in the preceding paragraph shall be prescribed by the ROC securities competent authority.

45. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote by proxy.
46. No Member shall be entitled to vote at any general meeting, unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
47. Votes may be given either personally or by proxy.
48. Proxy:
  - (a) A Member may appoint a proxy to attend a general meeting in his/its behalf by executing a power of attorney prepared by the Company stating therein the scope of power authorized to the proxy.

The format and content of proxies to be used for attendance of a general meeting of the Company shall include instructions for filling out the form, the matters entrusted by the Member under the proxy, and the basic information of the Member, solicitor, and proxy agent. The mailing, or transmission as an electronic document, of proxy forms to all Member s shall be conducted on the same day.

- (b) The instrument appointing a proxy shall be in writing under the hand of the Member or, if the Member is a corporation, either under seal or under the hand of a director or officer or attorney duly authorised. A proxy need not be a Member of the Company.
  - (c) Except for the trust enterprises incorporated according to the R.O.C. Laws or a professional shareholder services agent approved by the competent authority of the

R.O.C., when a person who acts as the proxy for two or more Members, the number of voting power represented by him/her shall not exceed three percent (3%) of the total number of voting Shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

- (d) A Member may only execute one power of attorney and appoint one proxy, and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date of the general meeting. In case two or more written proxies are received from one Member, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.
- (e) In case a Member has exercised the voting power thereof in writing or by way of electronic transmission, and has also authorized a proxy to attend the general meeting in his/its behalf, then the voting power exercised by the authorized proxy for the said Member shall prevail.
- (f) The use of proxy and proxy contest shall comply with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” and applicable regulations of the R.O.C.
- (g) When the general meeting be held outside the territory of ROC, the Company shall designate a professional stock service agent within the territory of ROC for the acceptance of voting issues.

49. Voting through Writing or Electronic Transmission:

- (a) Subject to the Law, the voting power at a general meeting of the Company may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the notice of general meeting to be given to the Members if the voting power will be exercised in writing or by way of electronic transmission. When a general meeting is convened outside the R.O.C., the Company shall provide Member with voting power exercised in writing or by way of electronic transmission.
- (b) For the avoidance of doubt, a Member who exercises his voting power thereof as set forth in Article 48 and this Article 49 in accordance with the R.O.C. Laws at a general meeting in writing or by way of electronic transmission shall be deemed to have attended and voted in person at the general meeting for the purposes of these Articles and the Law, but shall be deemed to have waived the voting power thereof in respect of any motion(s) from the floors and amendment(s) to the contents of the original proposal(s) at the general meeting.
- (c) In case a Member elects to exercise the voting power thereof in writing or by way of electronic transmission, his/its declaration of intention shall be served to the Company no later than the two (2) days prior to the scheduled meeting date of the general meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later. After the service of the power of attorney of a

proxy to the Company, in case the Member issuing the said proxy intends to attend the general meeting in person or to exercise his/her voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the Company two (2) days prior to the date of the general meeting as scheduled in the general meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

- (d) Subject to the Law and applicable regulations, and subject to Article 49(e), in case a Member who has exercised his/its voting power in writing or by way of electronic transmission intends to attend the general meeting in person, he/she/it shall, at least two (2) days prior to the meeting date of the scheduled general meeting and in the same manner previously used in exercising his/its voting power, serve a separate declaration of intention to revoke his/its previous declaration of intention made in exercising the voting power. In the absence of a timely revocation of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.
- (e) The use and proxy contest shall comply with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” and regulations of the R.O.C.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING**

50. Subject to other provisions in these Articles, any corporation which is a Member of the Company may by resolution of its Directors or any committee of the 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 of the Company, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company. Where a juristic person acts as a Member of the Company, its authorized representative may also be elected as a director of the Company. If there is a plural number of such authorized representatives, each of them may be so elected.

#### **DIRECTORS, OFFICERS AND AUDIT COMMITTEE**

51. (a) Subject to these Articles, the term for which a Director shall hold office shall be three (3) years; thereafter he/she may be eligible for re-election, and the cumulative voting system shall be used for all elections of directors. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office shall be extended until the time new Directors are elected and assume their offices subject to these Articles.
- (b) Where all directors of the Company are re-elected, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. For the avoidance of doubt, there will always be at least one director in the Company at any time.

- (c) The aforesaid re-election shall be attended by Members who represent more than one-half of the total number of issued and outstanding shares.
52. (a) Except otherwise provided by the general meeting of the Company, the number of Directors shall be no less than five (5) Directors and no more than nine (9) Directors. The actual number of Directors shall be determined from time to time solely by an Ordinary Resolution.
- (b) Except where the GTSM grants approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of a Company's Directors.
  - (c) When the Company convenes a general meeting for the election of Directors and the original selectees do not meet the conditions mentioned before, the election of the Director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid. If he is onboard following an invalidated election, he shall be discharged.
  - (d) Where the qualifications, compositions, election, discharge, responsibilities and duties and other matters for compliance for the Company of Directors, Independent Directors, Remuneration Committee and Audit Committee Company shall comply with Applicable Listing Rules.
53. (a) During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or not less than one-fifth of the total number of Directors, whichever is higher. The election of Independent Directors shall adopt the candidates nomination system and the Members shall elect the Independent Directors from among the nominees listed in the roster of director candidates. At least one (1) (or such other number as shall be in compliance with applicable law, rules or regulations or the Applicable Listing Rules or other applicable R.O.C. Laws required for a foreign issuer) of whom shall be domiciled in the Republic of China.

When an Independent Director ceases to act for any reason, resulting in a number of Independent Directors lower than the minimum number required by these Articles, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act or all remaining Independent Directors are not domiciled in the R.O.C., the Company shall convene a special general meeting of Members to hold an election within sixty (60) days from the date on which the situation arises.

- (b) Independent Directors shall possess professional knowledge and they shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors prescribed by the securities regulations of the R.O.C. shall apply mutatis mutandis.
- (c) The Company may establish an Audit Committee comprising of all the Independent Directors. The number of the Audit Committee Members shall not be fewer than

three (3) Persons, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise. A resolution of the Audit Committee shall be approved by a majority of all Audit Committee Members.

- (d) Where the Company has established an Audit Committee pursuant to these Articles, the following matters shall be subject to the approval by a majority of all the Audit Committee Members and be submitted to the Board for a resolution:
  - (i) the adoption or amendment of an internal control system;
  - (ii) the assessment of the effectiveness of the internal control system;
  - (iii) the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as the acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
  - (iv) a matter bearing on the personal interest of a Director;
  - (v) a transaction relating to material asset or derivatives trading;
  - (vi) the granting or provision of a material monetary loan, endorsement, or provision of guarantee;
  - (vii) the offering, issuance, or Private Placement of any equity-type securities;
  - (viii) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
  - (ix) the appointment or discharge of a financial, accounting, or internal auditing officer; and
  - (x) annual and semi-annual financial reports.
- (e) With the exception of subparagraph (x) of this Article 53(d), any other matters under the preceding subparagraph (d) of this Article 53 that has not been approved by the majority of all the Audit Committee Members may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution(s) of the Audit Committee Members shall be recorded in the minutes of the meeting of the Board.
- (f) Member(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the Company over six months may request in writing the Independent Directors of the Company to institute, for the Company, an action against a director of the Company, and the Taipei District Court shall be the court of competent jurisdiction for the first instance.
- (g) In case the Independent Directors fails to institute an action within 30 days after having received the request made under the preceding Paragraph, the Members filing such request under the preceding Paragraph may institute the action for the company, and the Taipei District Court shall be the court of competent jurisdiction for the first instance.
- (h) Subject to the condition that the board of directors does not or is unable to convene a general meeting, the Independent Directors may, for the benefit of the company, call a meeting of shareholders when it is deemed necessary.
- (i) Independent Directors shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, inspect, transcribe or make copies of the

accounting books and documents, and request the board of directors or managerial personnel to make reports thereon.

- (j) Independent Directors shall audit the various statements and records prepared for submission to the general meeting by the board of directors, and shall make a report of their findings and opinions at the general meeting.
  - (k) In performing their audit duties, the Independent Directors may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination.
  - (l) Independent Directors of the Company may attend the meeting of the board of directors to state their opinions. In case the board of directors or any director commits any act, in carrying out the business operations of the Company, in a manner in violation of the laws, regulations, the Articles of Association or the resolutions of the general meeting, the Independent Directors shall forthwith advise, by a notice, to the board of directors or the director, as the case may be, to cease such act.
  - (m) Independent Directors may each exercise the supervision power individually.
  - (n) An Independent Director shall not be concurrently a director, a managerial officer or other staff/employee of the Company.
54. (a) The names of the first Directors shall be determined in writing by the subscribers of the Memorandum of Association.
- (b) Directors shall be elected by the Members in a general meeting. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's Shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
  - (c) The proceedings and the voting regarding the election of Directors not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of the Members from time to time, which shall be in compliance with the Law and the relevant Applicable Listing Rules.
  - (d) Except otherwise provided in these Articles, the Company may adopt a candidate nomination mechanism for election of Directors other than Independent Directors, which is in compliance with the Law and the Applicable Listing Rules and Members shall elect the Directors from among the nominees listed in the roster of Director candidates other than Independent Directors. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.

55. The Board shall have a chairman (the “**Chairman**”) elected and appointed from among the Directors by a majority vote at a meeting attended by over two-thirds of all of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. Subject to these Articles, and in particular Article 82, the Chairman shall preside as chairman at every meeting of the Board.
56. During the Relevant Period, the Company shall establish a Remuneration Committee. The Remuneration Committee shall comprise not fewer than three (3) Persons in number, including at least one Independent Director. The remuneration of the Directors shall from time to time be determined by the Remuneration Committee in accordance with the Applicable Listing Rules and the bylaws regarding the Remuneration Committee of the Company. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.
57. A Director shall not be required to hold any Shares in the Company by way of qualification unless otherwise required by these Articles.
58. Any Director may in writing appoint another Director to be his alternate, provided however, in case a Director appoints another Director to attend and vote on his behalf at a Board meeting, the appointing Director shall, at each time prior to such Board meeting, lodge an instrument in writing appointing the alternate Director to be his proxy and state therein the scope of authority of such alternate Director on the subjects to be discussed at such Board meeting. Every such alternate Director shall then be entitled to attend and vote at such Board meeting if the Director appointing him is not personally present at such Board meeting, and such alternate Director has a separate vote on behalf of the appointing Director in addition to his own vote as a Director. Every Director may accept the appointment to act as an alternate Director aforementioned of one appointing Director only. A Director may at any time, in writing, revoke the appointment of an alternate appointed by him in writing. The appointment of alternate shall be revoked automatically if the appointing Director ceases to be a Director at any time. Such alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the appointing Director appointing him and the proportion thereof shall be agreed between them.
59. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the Chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

60. The Directors may by resolution, appoint one of their numbers to be President upon such terms as to duration of office, remuneration and otherwise as they may think fit.
61. The Directors may also by resolution appoint a Secretary (and if need be an Assistant Secretary or Assistant Secretaries) and such other officers as may from time to time be required upon such terms as to duration of office and otherwise and upon such conditions and with such powers as they may think fit, provided that the remuneration of such Secretary and such other officers shall be determined by the Remuneration Committee in accordance with the Applicable Listing Rules and the bylaws regarding the Remuneration Committee of the Company. Such Secretary, Assistant Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide. Any Secretary, Assistant Secretary or other officers so appointed by the Directors may be removed by the Directors.

### **POWERS AND DUTIES OF DIRECTORS**

62. The business of the Company shall be managed by the Board of Directors. Subject to the Law and these Articles, the Directors may exercise all such powers of the Company, except for the matters the execution of which shall be effected pursuant to the resolutions of Shareholders at a general meeting as required by the Law, these Articles or the Applicable Listing Rules. The Directors may pay all expenses incurred in setting up and registering the Company.
63. Subject to the Law and these Articles, 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, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.
64. (a) The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.  
  
(b) The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
65. All cheques promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys 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 from time to time by resolution determine.

66. A Director, who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the general meeting of Members the essential contents of such an act and secure its approval via a Special Resolution.
67. At the close of each fiscal year, the Board shall prepare and submit the business report, the financial statements and the surplus earning distribution or loss off-setting proposals to the annual general meeting of Members for its ratification. The surplus earning distribution or loss off-setting proposal by the Company shall be made based on the financial statements audited or reviewed by a certified public accountant. After the ratification thereof by the general meeting of Members, the Board shall distribute to each Member the copies of ratified financial statements and the resolutions for distribution of retain earnings and/or offsetting of losses. The Company may make distribution of said copies as required in the preceding Paragraph by disclosing on the Market Observation Post System (MOPS) in accordance with the R.O.C Law.
68. (a) The statements and records of accounts prepared by the Board shall be made available at the business office of its securities agent in the R.O.C. for inspection at any time by the Members, ten (10) days prior to the annual Member's general meeting.
- (b) The Board shall keep copies of the yearly business report and financial statements as required by the Law and the Applicable Listing Rules at the office of its Shareholders' Service Agent before ten (10) days of the annual general meeting and any of its Members is entitled to inspect such documents during normal business hours of such service agent. The Board shall keep at the business office of its Shareholders' Service Agent in the R.O.C. copies of the Memorandum of Associations and these Articles, the minutes of every general meeting of the Members, the financial statements, the Members roster and the counterfoil of corporate bonds issued by the Company.
- (c) The board of directors shall keep at the head office of the Company copies of the Articles of Association, the minutes of every general meeting, the financial statements, shareholders roster and the counterfoil of corporate bonds and shall keep at the business office of its stock service agent. Any Member of the Company may request at any time, by submitting evidentiary document(s) to show his/her interests and indicate the scope of interested matters, an access to inspect, transcribe and to make copies of the documents and the Company shall make the agent to provide access to the document(s) to such Member.
- The board of directors or other authorized conveners of general meetings may require the Company or its stock service agent to provide with the roster of shareholders.
- (d) The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules or other R.O.C. Laws.

- (e) The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.
69. The Directors shall cause minutes to be prepared and made in books or loose-leaf folders provided for the purpose of recording:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings at all meetings of the Members of the Company and of the Directors and of committees of Directors; and the chairman of all such meetings or of any meeting confirming the minutes thereof shall sign the same.
70. The Board of the Company whose securities are being acquired shall, within seven (7) days after its or its litigious or non-litigious agent's receipt of the copy of the Public Tender Offer Report Form and relevant documents reported and publicly announced by the offeror, pass a resolution for the recommendation, consent or objection to such tender offer, and have the following items publicly announced:
- (a) The types, number and amount of Shares currently held by the current Directors and any Members with more than ten percent (10%) of the Company's Shares.
  - (b) The recommendation made to the Company's Members on such tender offer purchase, wherein the names and reasons of every objecting Director shall be recorded.
  - (c) Whether there were major changes on the Company's financial conditions after the delivery of its most recent financial statements, and the contents of such changes.
  - (d) The types, number and amount of Shares of the offeror or its affiliated enterprises held by the current Directors or the majority Members holding over ten percent (10%) of the Shares of the Company.

### **DISQUALIFICATION AND CHANGES OF DIRECTORS**

71. The office of Director shall be vacated, if such Director:
- (a) has committed the offence in terms of organized crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five (5) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
  - (b) has committed the offence in terms of fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one (1) year, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;

- (c) having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (d) having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
- (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (f) has no or only limited legal capacity to act;
- (g) having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet; or
- (h) in case a director (except for Independent Directors) of the Company during the term of office as a director, has transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be discharged from the office of director.

If any director (except for Independent Directors) of the Company, after having been elected and before his inauguration of the office of director, has transferred more than one half of the total number of shares of the Company he holds at the time of his election as such; or had transferred more than one half of the total number of shares he held within the share transfer prohibition period fixed prior to the convention of a Shareholder's Meeting, then his election as a director shall become invalid.

- 72. (a) The Company may by a Special Resolution remove a Director before the expiration of his period of office.
- (b) When the number of Directors falls below five (5) due to the dismissal of a Director for any reason, the Company shall hold an election for Director at the next following general meeting. When the number of Directors falls short by one-third of the total number of the Directors of the same term elected pursuant to these Articles, the Company shall convene a special general meeting of Members within sixty (60) days of the occurrence of that fact to hold an election for Directors.

### **PROCEEDINGS OF DIRECTORS**

- 73. Unless otherwise provided for in these Articles, resolutions of the Board shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.
- 74. (a) Meetings of the Board of Directors (either within or outside the Cayman Islands) shall be convened by the Chairman of the Board of Directors for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings; provided however, the first meeting of each term of the Board of Directors shall be convened by the Director (instead of the Chairman of the Board of Directors) who received a

ballot representing the largest number of votes at the re-election of Directors at the general meeting of the Company.

- (b) Subject to these Articles, the first meeting of each term of the Board of Directors shall be convened within fifteen (15) days after the re-election of Directors at the general meeting of the Company.
- 75. In calling a meeting of the Board, a notice stating the subject(s) to be discussed at the meeting shall be given to each Director at least seven (7) days prior to the scheduled meeting date. PROVIDED HOWEVER that such notice may be waived by all the Directors either at, before or after the meeting is held. Such notice or waiver may be given in writing, by telex, telefax, or email.
- 76. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities or similar communication equipment by way of which all Persons participating in such meeting can communicate with and see each other and such participation shall be deemed to constitute presence in Person at the meeting
- 77. Unless otherwise provided in these Articles or the Law, the quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
- 78. 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 these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
- 79. Subject to these Articles, any Director or officer may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or officer PROVIDED THAT nothing herein contained shall authorise a Director or officer or his firm to act as Auditor of the Company.

The Director of the Company shall have the loyalty and shall exercise the due care of a good administrator in conducting the business operation of the Company; and if he/she has acted contrary to this provision, shall be liable for the damages to be sustained by the Company there-from. In case the Director of a company does anything for himself/herself or on behalf of another person in violation of the previous Paragraph, the Members may, by a resolution, consider the earnings in such an act as earnings of the Company.

If the Director of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally, for the damage to such other person.

If the managerial officer acts within the scope of their duties, shall also bear the same liability for damages as the Director of the Company.

80. (a) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. In the merger/consolidation and acquisition by the Company, the Director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board and the general meeting the essential contents of such personal interest and the cause of approval or dissent to the resolution of merger/consolidation or acquisition. [Please see below suggested wording for clarity:

Subject to compliance with the Law, before the meeting of the Directors resolves any Mergers/consolidations or acquisitions in accordance with the Applicable Listing Rules, the Audit Committee or the special committee shall review the fairness and reasonableness of the relevant Mergers/consolidations or acquisition plan and transaction, and report its review results to the meeting of Directors and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the Applicable Listing Rules. When the Audit Committee or the special committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee or the special committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such Mergers/consolidations or acquisitions at the next following general meeting if the approval of the Members is not required under the Applicable Law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by the ROC securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

- (b) Where the spouse, a blood relative within the second degree of kinship of a Director, or any Company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. The calculation of degree of relationship shall be determined by counting the number of generations upwards or downwards from himself and one generation being taken as one degree.
- (c) A Director who has a personal interest in the matter under discussion at the board of directors meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another Director. In passing a resolution at a board of directors meeting, for which the voting right cannot be exercised, it shall not be counted in the number of votes of Director present at the meeting.
81. (a) No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf

of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director shall not vote his own vote, or by proxy or exercise the voting right on behalf of another Director, in respect of any contract or proposed contract, or transaction in which he may be interested therein. 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 (but shall still be counted in the quorum for such meeting).

- (b) In case a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the general meeting, the Member(s) holding 3% or more of the total number of Existing Shares of the Company may, within 30 days after that general meeting, institute a lawsuit in the court for a judgment in respect of such matter and the Taipei District Court shall be the court of competent jurisdiction for the first instance.
82. In case the Chairman is on leave or is unable to exercise his/her power and authority for any cause, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such designation, the Director(s) shall elect from among themselves an acting chairman of the Board. The meetings and proceedings of any committee shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board. The proceedings regarding Board meetings not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules, particularly the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
83. To the extent permitted by the Law, the Directors may also meet by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.

### **SEALS AND DEEDS**

84. (a) If the Directors determine that the Company shall have a common Seal, the Directors shall provide for the safe custody of the common Seal and the common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors, and in the presence of a Director and of the Secretary or, in place of the Secretary, by such other person as the Directors may appoint for the purpose; and that Director and the Secretary or other person as aforesaid shall sign every instrument to which the common Seal of the Company is so affixed in their presence. Notwithstanding the provisions hereof, annual returns and notices filed under the Law may be executed either as a deed in accordance with the Law or by the common Seal being affixed thereto in either case without the authority of a resolution of the Directors by one Director or the Secretary.

- (b) The Company may maintain a facsimile of any common Seal in such countries or places as the Directors shall appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of the Directors and in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile Seal of the Company is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the common Seal had been affixed in the presence of and the instrument signed by a Director and the Secretary or such other person as the Directors may appoint for the purpose.
- (c) In accordance with the Law, the Company may execute any deed or other instrument which would otherwise be required to be executed under Seal by the signature of such deed or instrument as a deed by two Directors of the Company, or by a Director and the Secretary of the Company or, in place of the Secretary, by such other person as the Directors may appoint or by any other person or attorney on behalf of the Company appointed by a deed or other instrument executed as a deed by two Directors of the Company, or by a Director and the Secretary or such other person as aforesaid.

#### **RESERVES, DIVIDENDS AND BONUS**

- 85. (a) Subject to the Law, the Company may, after paying all taxes and duties, by Ordinary Resolution, set aside certain amount of its surplus profits as a special reserve (the "**Special Reserve**") for such purposes as may be approved by the shareholders by way of Ordinary Resolution.
  - (b) Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, the Capital Reserve shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Special Reserve is insufficient to offset such losses.
86. Subject to the Law and these Articles, the Company may declare dividends or bonuses in any currency to be paid to the Members when there is any surplus profit at the end of the financial year.
87. Subject to the preceding Article, the Law and the Applicable Listing Rules, if the Company has profits in a financial year, the Company shall distribute one percent (1%) to ten percent (10%) of such profits for bonuses to employees and up to five percent (5%) of such profits for bonuses of Directors. However, if the Company has accumulated losses, such profits shall be first used to set off those accumulated losses.

The Company may, by a resolution adopted by a majority vote at a meeting of the Board attended by two-thirds of the total number of Directors, distribute the bonuses to employees (as set out in the preceding paragraph) in the form of shares or in cash; and such plan of distribution shall be reported to the shareholders at a general meeting.

The qualification requirements of employees (including the employees of the Company and its subsidiaries) for being entitled to receive bonuses, may be determined and amended by the Board from time to time.

- 87-1. After paying all relevant taxes, offsetting losses (including losses of previous years), first set aside ten percent (10%) of such profits as a legal reserve, and setting aside the Special Reserve (if any), the Company may, by an resolution of the annual general meeting to declare and distribute the shareholder's bonuses.

The dividend policy of the Company is based on current and future development plans, consideration of the investment environment, capital requirements and domestic and foreign competition situation, and taking into account the interests of Members. The distribution of share dividend will not be less than 20 % of the remaining surplus of the current year, but if the cumulative available surplus is less than 10% of the paid-in capital, it may not be distributed. When distributing share dividends, it may be done in cash or stocks, where the cash dividend is not less than 10% of the total dividend.

88. Where dividends or bonuses are declared in accordance with these Articles, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash. However, under this circumstance, such bonuses distributable to the employees (if any) may be paid either in the form of newly issued shares or in cash.
89. If several persons are registered as joint Members of any Share, any of them may give effectual receipts for any dividend or other monies payable on or in respect of the Share.
90. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto in the Register of Members or by way of book-entry to the Member's account, in the case of joint Members addressed to the Member whose name stands first in the Register of Members in respect of the Shares at his registered address as appearing on the Register of Members or to such person at such address as the Member or person entitled or such joint Members, as the case may be, may direct in writing. Every such cheque or warrant shall, unless the Member or joint Member may in writing direct, be made payable to the order of the person to whom it is sent or to the order of the Member or, in the case of joint Members, to the order of the Member whose name stands first in the Register of Members in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint Members may give effectual receipts for any dividends, distributions or other monies payable or property distributable in respect of the Shares held by such joint Members.
91. No dividend shall bear interest against the Company. All unclaimed dividends or distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any dividend or distribution unclaimed by a Member six years after the dividend or distribution payment date shall be forfeited and revert to the Company.

### **CAPITALISATION OF PROFITS**

92. Subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, capitalize the Share Premium Account and/or the income from endowments received by

the Company of Capital Reserve, in whole or in part, by issuing new, fully paid shares to the Members in proportion to the number of shares held by each of them in accordance with the Law and the Applicable Listing Rules. Subject to the requirements of the Law, the Board may make any arrangements it thinks fit to resolve a difficulty arising in the capitalisation under the preceding Article, including without limitation, Shares distributable in fractions.

## **ACCOUNTS AND AUDIT**

93. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Company by Ordinary Resolution or failing such determination by the Board of the Company.
94. The books of account shall be kept at the Registered Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
95. The Company may by Ordinary Resolution from time to time determine or, failing such determination, the Directors may from time to time determine that Auditors shall be appointed and that the accounts relating to the Company's affairs shall be audited in such manner as the Company by Ordinary Resolution or the Board (as the case may be) shall determine PROVIDED THAT nothing contained in this Article shall require Auditors to be appointed or the accounts relating to the Company's affairs to be audited.
96. No Member (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Law and R.O.C. Laws or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

### **Share Premium Account**

97. The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
98. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.
99. The Company shall at all times comply with the provisions of the Law in relation to the Share Premium Account, the premiums attaching to Shares and the capital redemption reserve fund.

## **2. WINDING UP**

100. Subject to the Law, 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 Law and all applicable law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such 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 contributors as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Shares or other securities upon which there is any liability. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
101. Subject to the Law, if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid up 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 capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the Shares held by them respectively. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
102. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator.

## **NOTICES**

103. (a) Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, or by facsimile, or by sending it by post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register of Members, to such Member to his registered address, or (if he has no registered address) to the address, if any, supplied by him to the Company for the giving of notices to him, or to the extent permitted by all applicable laws and regulations, by posting on the MOPS or the Company's website, by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members of a Share, all notices shall be given to that one of the joint Members whose name stands as their representative in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint Members.
104. Any notice or other document, if served by:

- (i) post or courier, shall be deemed to have been served three days after the time when the letter containing the same is posted or delivered to the courier;
- (ii) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
- (iii) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
- (iv) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service

- 105. In case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register of Members in respect of the joint holding.
- 106. A notice may be given by the Company to the person entitled to a Share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter 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, if any supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 107. Notice of every general meeting shall be given in the same manner hereinbefore authorised to:
  - (a) every Member with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them; and
  - (b) every person entitled to a Share in consequence of the death or bankruptcy of a Member, who, but for his death or bankruptcy would be entitled to receive notice of the meeting and has informed the Company with the supporting documents as requested by and satisfactory to the Company.

No other persons shall be entitled to receive notices of general meetings.

### **CLOSING REGISTER OR FIXING RECORD DATE**

- 108. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or who are Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period. During the Relevant Period, the Register of Members shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days immediately before the date of each annual general meeting, each special general meeting and the record date for a dividend, bonus or other distribution, respectively. For

the purpose of calculating the abovementioned period, the respective convening date of general meeting or the applicable target date shall be included.

109. Apart from closing the Register of Members, the Directors may fix in advance the record date(s) for determination of Members that are entitled to, inter alia, receive notice of, to attend or to vote at a meeting of the Members in person, by proxy, in writing or by way of electronic transmission, or receive payment of any dividend. The Directors may, at or within 90 days prior to the date of the declaration of such dividend, fix a subsequent date as the record date for such determination.

### **AMENDMENT OF MEMORANDUM AND ARTICLES**

110. Subject to and insofar as permitted by the provisions of the Law and these Articles, the Company may from time to time by a Special Resolution alter or amend its Memorandum of Association or these Articles in whole or in part provided however that no such amendment shall effect the rights attaching to any class of Shares without the consent or sanction provided for in Article 4(c).

### **ORGANISATION EXPENSES**

111. The preliminary and organisation expenses incurred in forming the Company shall be paid by the Company and may be amortised in such manner and over such period of time and at such rate as the Directors shall determine and the amount so paid shall in the accounts of the Company, be charged against income and/or capital.

### **OFFICES OF THE COMPANY**

112. The Registered Office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company, in addition to its Registered Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Directors may from time to time determine.

### **INDEMNITY**

113. Every Director, every Auditors, every Secretary and other officer for the time being and from time to time of the Company or any trustee for the time being acting in relation to the affairs of the Company and their respective heirs, executors, administrators, personal representatives or successors or assigns (each an "**Indemnified Person**") shall, in the absence of the Indemnified Person's own dishonesty, wilful neglect or default or fraud, be indemnified and secured harmless by the Company against, and it shall be the duty of the Directors out of the funds and other assets of the Company to pay, all actions, proceedings, costs, charges, losses, damages, expenses and liabilities incurred, including travelling expenses, which any such Director, officer or trustee may incur or become liable in respect of by reason of any contract entered into, or act or thing done by him as such Director, officer or trustee or in any way in or about the execution of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on

the property of the Company and have priority as between the Members over all other claims.

No Indemnified Person shall be liable or answerable for the acts, receipts, neglects or defaults of any other Indemnified Person or for joining in any receipt or other act for conformity or for any costs, loss, expense or liabilities incurred happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss of the monies of the Company which shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any other loss, damage or misfortune whatsoever which shall happen in or about the execution of the duties of his respective office or trust or in relation thereto unless the same happens through his own wilful neglect or default.

## 2.1 FINANCIAL YEAR

114. Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.
115. The Company shall designate an agent for litigious and non-litigious matters, respectively, to serve as the responsible person under the R.O.C. Securities and Exchange Act within R.O.C. The agent shall be a natural person who has a domicile within the territory of the R.O.C.
116. When conducting its business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.

## Appendix 12: Shareholdings of Directors

### Ma Kuang Healthcare Holding Limited Shareholdings of Directors

Title	Name	Share
Chairman	HUNAG,PO-WEN	1,554,446
Director	HUANG,CHUAN-SHENG	838,960
Director	HUNAG,CHANG-I	591,235
Director	HWANG,YIH-RAY	3,507,249
Independent Director	CHEN,SAN-ER	0
Independent Director	HESE,SHUN-FA	0
Total		6,491,890

- Notes: 1. Up to the book closure date of this Shareholder Meeting (April 18, 2021), the paid-up capital of the Company is NT\$ 425,499,110 and the shares issued are 42,549,911.
2. The minimum shares held by the directors of the Company shall be 3,600,000, and up to the book closure date, the directors hold 6,491,890 shares of the Company, which reaches the statutory amount.