

**Stock Code: 4129**

**UNITED ORTHOPEDIC CORPORATION**

**2025 Annual Shareholders' Meeting**

**Meeting Handbook**

June 17, 2025

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UNITED ORTHOPEDIC CORPORATION  
**2025 Annual Shareholders' Meeting Agenda**

- I.** Time: 9:00 a.m. on Tuesday, June 17, 2025
- II.** Method for convening the meeting: Physical meeting
- III.** Venue: B1F., No. 85, Zhong'an St., Zhonghe Dist., New Taipei City (No.4 Park Cultural and Creative Music Studio)
- IV.** Meeting called to order (report the number of shares in attendance and announce the opening of meeting)
- V.** Chairman's Address
- VI.** Report Items
  - (I) 2024 Annual Business Report
  - (II) 2024 Audit Committee's Review Report
  - (III) Report on the cash dividend distribution for the surplus in 2024.
  - (IV) Report on the allocation of employee and director compensation for 2024.
  - (V) Report on the amendments to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings".
- VII.** Ratifications
  - (I) To ratify 2024 Business Reports and Financial Statements.
  - (II) Distribution of surplus for the year 113.
- VIII.** Matters for Discussion
  - (I) Amendments to the "Articles of Incorporation".
  - (II) Amendments to "Procedures for Acquisition or Disposal of Assets".
  - (III) Amendment to the "Procedures for Lending Funds to Others".
  - (IV) Amendment to the "Procedures for Endorsements and Guarantees".
- IX.** Election
  - By-election of one director.
- X.** Matters for Discussion
  - (I) Removal of the non-competition restrictions for the Company's newly appointed director.
- XI.** Other proposals and Extempore Motions

## **Reports Items**

(I) **Proposal:** 2024 Annual Business Report, for your examination.

**Description:** Please refer to Attachment 1. (Page 8-10).

(II) **Proposal:** 2024 Audit Committee's Review Report, for your examination.

**Description:** Please refer to Attachment 2. (Page 11).

(III) **Proposal:** Report on the distribution of cash dividends from the surplus for 2024, for your perusal.

**Description:**

1. The net profit after tax for the Company's 2024 amounts to NT\$456,427,301. After allocating 10% legal reserve of NT\$46,219,872, adding other comprehensive income of NT\$5,771,418 for 2024, and reversing the special reserve provision of NT\$37,698,029, the total distributable surplus for this period is NT\$453,756,245. It is proposed to prioritize the allocation of NT\$119,456 for Class A preferred stock dividends at NT\$2.387396 per share. The remainder, calculated based on the actual 96,436,704 outstanding shares as of March 7, 2025, is proposed to be allocated as NT\$385,746,816 for cash dividends at NT\$4 per share.
2. If the number of outstanding shares changes on the ex-dividend date, the Chairman is authorized to adjust the cash dividend distribution amount per common share based on the actual total number of outstanding shares on the ex-dividend date.
3. Cash dividends are calculated based on the distribution ratio, with any amount less than NT\$1 being truncated. Any remaining amount less than NT\$1 will be adjusted in descending order of decimal places and ascending order of account numbers until the total distribution amount of cash dividends is met.

(IV) **Proposal:** 2024 Employees' and Directors' Remuneration Distribution.

**Description:** In accordance with Article 20 of the Company's Articles of Incorporation, the Compensation Committee proposed to the Board of Directors the distribution of employee and director compensation for 2024, allocating 3% as director compensation amounting to \$19,276,306, and 12% as employee compensation amounting to \$77,105,224, both to be distributed in cash.

(V) **Proposal:** Report on the amendments to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings", for your perusal.

**Description:** Certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings" have been amended in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

Please refer to Attachment 6. (Page 34).

## **Ratifications**

**Item I :** **(Proposed by the Board of Directors)**

**Proposal:** 2024 Business Report and Financial Statements, submitted for approval.

**Description:** The Company's 2024 Financial statements, Consolidated Financial Statements and Business Reports have been completed. The Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young's CPAs Lin, Shih-Huan and Lin, Shih-Huan, and an audit report has been issued. The Financial Statements, Consolidated Financial Statements and Business Reports are hereby submitted for ratifications. Please refer to Attachments 1, 3 and 4. (Pages 8-10 and 12-32)

**Resolution:**

**Item II :** **(Proposed by the Board of Directors)**

**Proposal:** To ratify 2024 Earnings Distribution Plan.

**Description:**

1. The net profit after tax for the Company's 2024 amounts to NT\$456,427,301. After allocating 10% legal reserve of NT\$46,219,872, adding other comprehensive income of NT\$5,771,418 for 2024, and reversing the special reserve provision of NT\$37,698,029, the total distributable surplus for this period is NT\$453,756,245. It is proposed to prioritize the allocation of NT\$119,456 for Class A preferred stock dividends at NT\$2.387396 per share. The remainder, calculated based on the actual 96,436,704 outstanding shares as of March 7, 2025, is proposed to be allocated as NT\$385,746,816 for cash dividends at NT\$4 per share.
2. Earnings distribution table in 2024, please refer to Attachment 5 (Page 33).

**Resolution:**

## **Matters for Discussion - 1**

### **Item I : (Proposed by the Board of Directors)**

**Proposal:** Amendments to the "Articles of Incorporation", submitted for resolution.

#### **Description:**

1. In accordance with the amended provisions of Article 14, Paragraph 6 of the Securities and Exchange Act announced on August 7, 113, and the Financial Supervisory Commission's letter No. 1130385442 dated November 8, 113, the Company shall appropriate a certain percentage of its annual surplus for adjusting the salaries of or distributing compensation to basic-level employees.
2. In response to business needs, the Company has added new business items, and has revised the original business scope to align with the current business item codes, in order to comply with the Business Item Codes Table for Companies and Limited Partnerships announced by the Ministry of Economic Affairs.
3. For the comparison of the "Articles of Incorporation" before and after amendment, please refer to Attachment 7. (Page 35-36).

#### **Resolution:**

### **Item II : (Proposed by the Board of Directors)**

**Proposal:** Amendments to "Procedures for Acquisition or Disposal of Assets", submitted for resolution.

#### **Description:**

1. To strengthen and regulate the Company's internal controls, it is proposed to amend relevant provisions of the "Procedures for Acquisition or Disposal of Assets".
2. For the comparison of the "Procedures for Acquisition or Disposal of Assets" before and after amendment, please refer to Attachment 8. (Page 37-82).

#### **Resolution:**

### **Item III : (Proposed by the Board of Directors)**

**Proposal:** Amendment to the "Procedures for Lending Funds to Others", submitted for resolution.

#### **Description:**

1. To strengthen and regulate the Company's internal controls, it is proposed to amend relevant provisions of the "Procedures for Lending Funds to Others".
2. For the comparison of the "Procedures for Lending Funds to Others" before and after amendment, please refer to Attachment 9. (Page 83-97).

#### **Resolution:**

**Item IV :**

**(Proposed by the Board of Directors)**

**Proposal:** Amendment to the "Procedures for Endorsements and Guarantees", submitted for resolution.

**Description:**

1. To strengthen and regulate the Company's internal controls, it is proposed to amend relevant provisions of the "Procedures for Endorsements and Guarantees".
2. For the comparison of the "Procedures for Endorsements and Guarantees" before and after amendment, please refer to Attachment 10. (Page 98-112).

**Resolution:**

## **Election**

**Item I :** **(Proposed by the Board of Directors)**

**Proposal:** By-election of one Director of the Company, submitted for resolution.

**Description:**

1. Director Lin Chun-Sheng has resigned from his position as a director of the Company on March 5, 2025, due to personal reasons, with the resignation effective on June 16, 2025. In accordance with Article 13 of the Company's Articles of Incorporation, it is proposed to elect one Director at this Annual General Meeting to fill the vacancy.
2. The newly elected Director's term of office shall commence from the date of election until June 15, 2026, to complete the remaining term of the original Director.
3. This election shall be conducted in accordance with the Company's "Procedures for Election of Directors".
4. The Company adopts the candidate nomination system for the election of Directors. The list of Director candidates approved by the first Board meeting on March 7, 2025, is as follows:

Information on the Nominated Director Candidate:

Name	Shareholder Account Number	Shares Held	Current Position	Experience	Education
I Sheng Inc. Representative: Hung Chung-Kai	73318	Common Stocks 3,113,000 shares	Catcher Technology Co., Ltd. Strategic Planning Manager	McKinsey & Company Consultant Catcher Technology Co., Ltd. Specialist	Master of Science in Management Science and Engineering, Columbia University, USA

5. Please elect:

Election Results

## **Matters for Discussion - 2**

### **Item I :**

**(Proposed by the Board of Directors)**

**Proposal:** Lifting the non-competition restriction for the newly elected directors of the Company, submitted for resolution.

### **Description:**

1. According to Article 209 of the Company Act, directors who engage in business activities for themselves or others that fall within the scope of the company's business operations should explain the important details of such activities to the shareholders' meeting and obtain their permission.
2. The newly elected directors of the Company may invest in or operate other companies that are related to or similar to the Company's business scope. Therefore, in accordance with the law, we are requesting the shareholders' meeting to agree that if any of the Company's elected directors have the aforementioned circumstances, to approve lifting the non-competition restrictions for such directors and the representatives appointed by corporate directors. Please refer to the table below.

Name	Concurrent position
Representative of corporate director Yi Sheng Co., Ltd. Hung, Chung-Kai	Manager at Catcher Technology Co., Ltd.
	Representative of corporate director at Catcher Medtech Co., Ltd.
	Representative of corporate director at Ren Yi Medical Materials Technology Co., Ltd.
	Representative of corporate director at Ren He Medical Materials Technology Co., Ltd.
	Representative of corporate director at Pacific Hospital Supply Company Limited
	Representative of corporate director at Bioteque Medical Phil. Inc.
	Representative of corporate director at Yung Ming Biotechnology Investment Co., Ltd.

### **Resolution:**

**Other proposals and Extempore Motions**

**Meeting Adjourned**

## 【Attachment 1】

### Business Report

#### (I) Operating objectives

A. Revenue in 2024 grew by 18% compared to 2023. Starting from revenue in 2021, there has been a high growth rate of 20% every year. Revenue in 2024 is already twice that of 2021 (460 million compared to 234 million in 2021). This means revenue doubled in 4 years, indicating that the company has entered a period of sustained high growth. It is expected that in 2025, growth will continue following this trend as each business unit expands in the global market.

B. The company's newly developed high-end product series, such as Radifocus Modular Femoral Stem, Shoulder Joint System, United Motion Acetabular System, and Revision Knee Joint Augmentation Implant, are all frontier innovative products. Currently, research and development for these products has been finalized, and FDA applications in the United States are being submitted successively. Due to increasingly stringent FDA certification requirements, the approval timeline will be slightly delayed. Sales are expected to begin in the 4th quarter of 2025. The launch of these new products will contribute to future revenue growth in the US market.

C. After 32 years of effort, the company has established its own brand reputation and distribution channels in the global market. Currently, sales channels have been established in 50 countries worldwide. Continuing to deeply engage and operate in various markets is an essential strategy for the company's growth. Based on the company's foundation of excellent and diverse product groups, we will continue to build customer recognition of United brand quality and effectiveness, thereby increasing market share. Maintaining high growth momentum is our persevering goal.

#### (II) Implementation results of business plan :

In 2024, the Company's net operating revenue was NT\$2,830,109 thousand, an increase of 11.4% compared to NT\$2,540,604 thousand in 2023. The consolidated net operating revenue in 2024 was NT\$4,653,130 thousand, an increase of 18.4% compared to NT\$3,929,887 thousand in 2023. In terms of profitability, the net profit after tax in 2024 was NT\$460,381 thousand, an increase of 18.6% compared to the net profit after tax of NT\$388,309 thousand in 2023.

#### (III) R&D status

In 2024, the Group's R&D expenditure, including development research costs, amounted to NT\$281,576 thousand, an increase of NT\$66,659 thousand compared to 2023, representing 6.1% of 2024 revenue. Various new product development plans are also progressing methodically.

Analysis of operating revenue and expenditure, and profitability of individual businesses

Unit: NT\$1,000

Item		Year	
		2024	2023
Financial income and expenditure	Net Operating Revenue	2,830,109	2,540,604
	Operating Gross Profit	1,483,460	1,301,403
	Net operating income	404,484	391,367
	post-tax profit or loss	456,428	384,201
Profitability	Return on assets (%)	8.22%	7.84%
	Return on Equity(%)	12.41%	11.83%
	Ratio of operating profit to paid-in capital (%)	41.94%	42.29%
	Ratio of profit before income tax to paid-in capital (%)	56.63%	51.20%
	Net income ratio (%)	16.12%	15.12%
	Basic earnings per share (NT\$)	4.74	4.50

Consolidated income and expenses and profitability analysis

Unit: NT\$1,000

Item		Year	
		2024	2023
Financial income and expenditure	Net Operating Revenue	4,653,130	3,929,887
	Operating Gross Profit	3,622,525	3,051,375
	Net operating income	608,988	543,269
	post-tax profit or loss	460,381	388,309
Profitability	Return on assets (%)	7.35%	7.04%
	Return on Equity(%)	12.20%	11.61%
	Ratio of operating profit to paid-in capital (%)	63.14%	58.71%
	Ratio of profit before income tax to paid-in capital (%)	59.63%	55.03%
	Net income ratio (%)	9.89%	9.88%
	Basic earnings per share (NT\$)	4.74	4.50

Chairman: Lin, Yan-Shen    Manager: Lin Deqiong    Accounting Manager: Deng, Yuan-Chang

**【Attachment 2】**

United Orthopedic Corporation

**Audit Committee's Audit Report**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, Consolidated Financial Statements, and Earnings Distribution Proposal. The Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young Global Limited, who has issued an audit report. The above Business Report, Financial Statements, Consolidated Financial Statements, and Earnings Distribution Proposal have been examined by the Audit Committee and found to be in order. This report is hereby submitted in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act. Your review is respectfully requested.

United Orthopedic Corporation

Convener of the Audit Committee: Chen, Li-Ju

March 7, 2025

## **【Attachment 3】**

### **INDEPENDENT AUDITORS' REPORT**

To United Orthopedic Corporation:

#### **Audit opinion**

We have audited the parent company only balance sheets of United Orthopedic Corporation as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, statements of changes in equity, statements of cash flows, and notes to the parent company only financial statements (including summary of significant accounting policies) for the years then ended.

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the financial status of United Orthopedic Corporation as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

#### **Basis for Audit Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of United Orthopedic Corporation in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China ("the Code"), and we have fulfilled our other responsibilities under the Code. 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 ones that were of most significance in our audit of the parent company only financial statements of United Orthopedic Corporation for the year ended December 31, 2024 based on our professional judgment. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Key Audit Matters (cont.)**

### Inventory Valuation

The net inventories of United Orthopedic Corporation were NT\$973,672 thousand, which accounted for 16% of the parent company only total assets. It was considered significant to the parent company only financial statements. With the continuous innovation of orthopedic supplies and equipment production technology, the inventory may become outdated or the selling price may drop. The estimated net realizable value and obsolescence loss involve significant management judgment. We believed that inventory valuation was of significance to the audit of parent company only financial statements; hence, we determined inventory valuation to be a key audit item. Our audit procedures include, but are not limited to, the following: evaluating the appropriateness of management's accounting policies for slow-moving and obsolete inventory, including the identification of slow-moving and obsolete inventory; understanding and assessing the appropriateness of internal controls established by management for inventory devaluation and slow-moving losses, and testing their effectiveness; conducting physical inventory counts to confirm the condition and safekeeping of inventory; selecting inventory samples and tracing them to purchase and sales documents; performing recalculations of inventory valuation. We also considered the appropriateness of inventory disclosures in Note 5 and Note 6 to the parent company only financial statements.

### Revenue Recognition

United Orthopedic Corporation's primary products are orthopedic implants – artificial hip joints, artificial knee joints, trauma-treatment products, and their revenue is NT\$2,830,109 thousand, which is significant to the parent company only financial statements. Due to the nature of the industry, the performance obligation is not satisfied until the customer obtains control over the goods. We believe that the recognition of revenue from contracts with customers was of significance to the audit of parent company only financial statements; hence, we determine revenue recognition to be a key audit item. Our audit procedures include but are not limited to the following audit procedures: We evaluated the appropriateness of the accounting policy for revenue recognition, and learned and tested the effectiveness of internal control established by management for sales cycle. We ensured that revenue is recognized when control over the product was transferred, including the selection of important customers as samples to verify transaction terms and relevant documents. We conducted analytical procedures on product types, regions and monthly gross margins. We also conducted analytical procedures on significant sales returns and allowance to understand the reasons for those transactions. We run the sales cut-off tests before and after the balance sheet date. We also considered the appropriateness of operating revenue disclosures in Note 6 to the consolidated financial statements.

## **Key Audit Matters (cont.)**

### Recognition of intangible assets arising from internal development

United Orthopedic Corporation net carrying amount of intangible assets was NT\$61,083 thousand on December 31, 2024, which is significant for the parent company only financial statements. United Orthopedic Corporation invested a significant amount of development costs on orthopedics equipment, including hip/knee replacements and surgical instruments, due to their corporate structure; in addition, the expenditures of capital has been transformed into intangible assets generated by internal developments. In order to meet the six capitalization requirements for development stage stated in IAS 38, United Orthopedic Corporation needed to provide technical feasibility assessments by project types to identify that a particular technology had reached technical feasibility. Moreover, the finance department shall conduct capitalization project assessments by development project. The management executed the aforementioned assessments on individual project based on internal and external information. As management's judgment and assumptions were involved, we determined this to be a key audit item. Our audit procedures include (but are not limited to) reviewing the appropriateness of accounting policies for capitalization of internally developed intangible assets; understanding and assessing the appropriateness of internal controls established by management for internally developed intangible assets and testing their effectiveness; sampling project reports to review management's assessment of the technical feasibility and future economic benefits of intangible assets; selecting various expenditures attributed to the development phase and verifying related documents to confirm the appropriateness of project cost attribution. We also considered the appropriateness of intangible assets disclosures in Note 5 and Note 6 to the consolidated financial statements.

### **Responsibilities of the management and governance bodies for the parent company only financial statements**

To ensure that the parent company only financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the parent company only financial statements.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of United Orthopedic Corporation in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the United Orthopedic Corporation or cease the operations, or has no realistic alternative but to do so.

The governance bodies of United Orthopedic Corporation (including the audit committee or supervisors) are responsible for supervising the financial reporting process.

### **Auditors' responsibilities for the audit of the parent company only financial statements**

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

We have exercised our professional judgment and maintained professional doubt when exercising auditing work according to the auditing standards generally accepted in the Republic of China. The accountant will also perform the following duties:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 necessary knowledge concerning internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Orthopedic Corporation's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on United Orthopedic Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in United Orthopedic Corporation ceasing to continue as a going concern.

**Auditors' responsibilities for the audit of the parent company only financial statements (cont.)**

5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within United Orthopedic Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on United Orthopedic Corporation.

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 governance bodies, we determine the key audit matters within the audit of United Orthopedic Corporation's parent company only financial statements for the year ended December 31, 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Approval Number from Competent Authority for the Auditing and Attestation of Public Companies' Financial Statements by Certified Public Accountants:

Financial Supervisory Commission Securities Examination No. 1120349153

Financial Supervisory Commission Securities Official Letter No. VI-0930133943

Lin, Shih-Huan

CPA:

Hsu, Jung-Huang

March 7, 2025

Notice to Reader

*For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

UNITED ORTHOPEDIC CORPORATION  
**PARENT COMPANY ONLY BALANCE SHEETS**

December 31, 2024 and December 31, 2023

Unit: NT\$1,000

Code	Assets	Note	December 31, 2024		December 31, 2023	
	Accounting Items		Amount	%	Amount	%
	Current Assets					
1100	Cash and cash equivalents	4 and 6(1)	\$303,188	5	\$284,272	5
1110	Financial assets at fair value through profit or loss - current	4 and 6(2)	9,005	-	8,887	-
1150	Net notes receivable	4, 6(5) and 6(19)	3,552	-	3,379	-
1170	Net accounts receivable	4, 6(6) and 6(19)	395,305	7	369,417	7
1180	Accounts receivable - related parties	4, 6(6), 6(19) and 7	1,513,454	25	1,213,514	22
1197	Net receivables under finance leases	4, 6.(7), 6(19) and 6(20)	15,201	-	6,226	-
1200	Other receivables	4 and 7	3,778	-	7,909	-
1210	Other net receivables – related parties	4 and 7	11,682	-	6,806	-
130x	Inventories	4 and 6(8)	973,672	16	912,574	17
1410	Prepayments	7	39,218	1	69,526	2
1470	Other current assets		937	-	997	-
11xx	Total current assets		<u>3,268,992</u>	<u>54</u>	<u>2,883,507</u>	<u>53</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss – non-current	4 and 6(2)	8,184	-	8,459	-
1517	Financial assets at fair value through other comprehensive income – non-current	4 and 6(3)	53,181	1	53,081	1
1535	Financial assets at amortized cost – non-current	4 and 6(4), 6(19) and 8	8,852	-	8,853	-
1550	Investment accounted for using equity method	4 and 6(9)	1,329,311	23	1,174,665	22
1600	Property, plant, and equipment	4 and 6(10) and 8	833,479	13	773,731	14
1755	Right-of-use assets	4 and 6.(20)	124,816	2	125,701	2
1780	Intangible Assets	4 and 6(11) and 7	181,796	3	155,995	3
1840	Deferred income tax assets	4 and 6(24)	106,696	2	99,892	2
1900	Other non-current assets	7	117,110	2	175,929	3
194D	Long-term net receivables under finance leases	4, 6(7), 6(19) and 6(20)	21,263	-	10,311	-
1975	Net defined benefit assets - non-current	4 and 6(16)	13,845	-	7,977	-
15xx	Total non-current assets		<u>2,798,533</u>	<u>46</u>	<u>2,594,594</u>	<u>47</u>
1xxx	Total assets		<u>\$6,067,525</u>	<u>100</u>	<u>\$5,478,101</u>	<u>100</u>

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION  
**PARENT COMPANY ONLY BALANCE SHEETS**

December 31, 2024 and December 31, 2023

Unit: NT\$1,000

Code	Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
	Accounting Items		Amount	%	Amount	%
	Current Liabilities					
2100	Short-term loans	4 and 6.(12)	\$970,000	16	\$400,000	8
2130	Contract liabilities - current	4 and 6(18)	312	-	398	-
2150	Notes payable	4	1,493	-	2,602	-
2170	Accounts Payable	4	87,280	1	173,308	3
2180	Accounts payable – related parties	4 and 7	27,857	1	13,382	-
2200	Other payables	4	509,091	8	492,751	9
2220	Other payables - related parties	4 and 7	5,486	-	-	-
2230	Current income tax liabilities	4 and 6(24)	49,903	1	54,365	1
2280	Lease liabilities - current	4 and 6(20)	4,864	-	4,714	-
2300	Other current liabilities		12,129	-	10,493	-
2322	Long-term loan due within one year or one operating cycle	4, 6(15) and 8	108,675	2	46,175	1
21xx	Total current liabilities		1,777,090	29	1,198,188	22
	Non-Current Liabilities					
2500	Financial liabilities at fair value through profit or loss – non-current	4 and 6(13)	-	-	1,762	-
2530	Corporate bonds payable	4 and 6(14)	-	-	226,264	4
2540	Long-term loans	4, 6(15) and 8	256,910	4	365,584	7
2570	Deferred income tax liabilities	4 and 6(24)	332	-	306	-
2580	Lease liabilities – non-current	4 and 6(20)	125,023	2	125,337	2
2600	Other non-current liabilities		4,594	-	4,616	-
2630	Long-term deferred revenue	4 and 6(9)	51,037	1	58,371	1
25xx	Total non-current liabilities		437,896	7	782,240	14
2xxx	Total liabilities		2,214,986	36	1,980,428	36
	Equity	4, 6(17) and 6(26)				
3100	Capital Stock					
3110	Capital stock - common shares		964,367	16	877,379	16
3120	Capital stock - preferred stock		-	-	3,737	-
3130	Bonds conversion rights certificate		-	-	44,171	1
	Total capital stock		964,367	16	925,287	17
3200	Capital Surplus		2,223,879	37	2,023,236	37
3300	Retained Earnings					
3310	Legal reserve		164,315	3	125,958	2
3320	Special reserve		102,046	1	98,377	2
3350	Undistributed earnings		462,279	8	426,860	8
	Total retained earnings		728,640	12	651,195	12
3400	Other Equity Interest					
3410	Differences on translation of foreign financial statements		(63,602)	(1)	(99,811)	(2)
3420	Unrealized gains (losses) from financial assets at fair value through other comprehensive income		(745)	-	(2,234)	-
	Total other equity interest		(64,347)	(1)	(102,045)	(2)
3xxx	Total equity		3,852,539	64	3,497,673	64
	Total liabilities and equity		\$6,067,525	100	\$5,478,101	100

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**

January 1 to December 31, 2024 and 2023

Unit: NT\$1,000

Code	Accounting Items	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(18) and 7	\$2,830,109	100	\$2,540,604	100
5000	Operating costs	4, 6(8), 6(20), 6(21) and 7	1,306,392	46	1,153,116	45
5900	Operating Gross Profit		1,523,717	54	1,387,488	55
5920	Unrealized sales profit		(40,257)	(1)	(86,085)	(3)
5950	Net operating gross profit		1,483,460	53	1,301,403	52
6000	Operating Expenses	4, 6(19), 6(20), 6(21) and 7				
6100	Selling expenses		672,449	24	570,749	22
6200	Administrative expenses		210,715	7	179,445	7
6300	R&D expenses		195,574	7	159,026	6
6450	Expected credit impairment losses		238	-	816	-
	Total operating expenses		1,078,976	38	910,036	35
6900	Operating Profit		404,484	15	391,367	17
7000	Non-operating revenues and expenses	4, 9.(6), 6(22) and 7				
7100	Interest revenue		10,493	-	7,092	-
7010	Other revenue		28,080	1	32,622	1
7020	Other gains and losses		34,401	1	14,623	1
7050	Finance costs		(22,623)	(1)	(22,353)	(1)
7775	Share of gains of associates and joint ventures accounted for using the equity method		91,327	3	50,423	2
	Total non-operating revenues and expenses		141,678	4	82,407	3
7900	Net profit before tax		546,162	19	473,774	20
7950	Income Tax Expenses	4 and 6(24)	(89,734)	(3)	(89,573)	(4)
8200	Net profit for the period		456,428	16	384,201	16
8300	Other comprehensive income	4 and 6(23)				
8310	Items not reclassified to profit or loss:					
8311	Re-measurements of defined benefit plans		5,771	-	(582)	-
8316	Unrealized gains (losses) from investment in equity instrument at fair value through other comprehensive income		100	-	1,318	-
8320	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method – items that will not be reclassified to profit or loss		1,389	-	887	-
8360	Items that may be subsequently reclassified to profit or loss					
8380	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method – items that may be reclassified to profit or loss		36,209	1	(5,873)	-
	Other comprehensive income (net amount after tax) for current period		43,469	1	(4,250)	-
8500	Total Amount of Comprehensive Income for current period		\$499,897	17	\$379,951	16
	Earnings per share (NT\$)	4 and 6(25)				
9750	Basic earnings per share		\$4.74		\$4.50	
9850	Diluted earnings per share		\$4.74		\$4.18	

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

January 1 to December 31, 2024 and 2023

Unit: NT\$1,000

Code	Item	Capital Stock			Retained Earnings				Other equity items		Total Equity
		Capital stock - common shares	Capital stock - preferred stock	Bonds conversion rights certificate	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains (losses) from financial assets at fair value through other comprehensive income	
		3100	3120	3130	3200	3310	3320	3350	3410	3420	
		3100	3120	3130	3200	3310	3320	3350	3410	3420	
A1	Balance as of January 1, 2023	\$781,316	\$99,800	\$-	\$1,743,729	\$102,629	\$132,311	\$233,295	\$(93,938)	\$(4,439)	\$2,994,703
	Earnings distribution in 2022										
B1	Provision of legal reserve	-	-	-	-	23,329	-	(23,329)	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(196,027)	-	-	(196,027)
B7	Cash dividends of preference share	-	-	-	-	-	-	(4,580)	-	-	(4,580)
B17	Special reserve reversal	-	-	-	-	-	(33,934)	33,934	-	-	-
C5	Recognition of equity component for issuance of convertible corporate bonds-Arising from employee stock options	-	-	-	52,645	-	-	-	-	-	52,645
C7	Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	18,853	-	-	-	-	-	18,853
D1	Net profit for year 2023	-	-	-	-	-	-	384,201	-	-	384,201
D3	Other comprehensive income in 2023	-	-	-	-	-	-	(582)	(5,873)	2,205	(4,250)
D5	Total Amount of Comprehensive Income for current period	-	-	-	-	-	-	383,619	(5,873)	2,205	379,951
J1	Convertible corporate bonds conversion	-	-	44,171	208,082	-	-	-	-	-	252,253
J1	Convertible preference share conversion	96,063	(96,063)	-	-	-	-	-	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	-	(73)	-	-	(52)	-	-	(125)
Z1	Balance as of December 31, 2023	\$877,379	\$3,737	\$44,171	\$2,023,236	\$125,958	\$98,377	\$426,860	\$(99,811)	\$(2,234)	\$3,497,673
A1	Balance as of January 1, 2024	\$877,379	\$3,737	\$44,171	\$2,023,236	\$125,958	\$98,377	\$426,860	\$(99,811)	\$(2,234)	\$3,497,673
	Earnings distribution in 2023										
B1	Provision of legal reserve	-	-	-	-	38,357	-	(38,357)	-	-	-
B3	Provision of special reserve	-	-	-	-	-	3,669	(3,669)	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(384,281)	-	-	(384,281)
B7	Cash dividends of preference share	-	-	-	-	-	-	(473)	-	-	(473)
C7	Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	16,791	-	-	-	-	-	16,791
C15	Distribution of cash dividends from capital reserves	-	-	-	(1,113)	-	-	-	-	-	(1,113)
D1	Net profit for year 2024	-	-	-	-	-	-	456,428	-	-	456,428
D3	Other comprehensive income in 2024	-	-	-	-	-	-	5,771	36,209	1,489	43,469
D5	Total Amount of Comprehensive Income for current period	-	-	-	-	-	-	462,199	36,209	1,489	499,897
I1	Convertible corporate bonds conversion	83,752	-	(44,171)	187,067	-	-	-	-	-	226,648
J1	Convertible preference share conversion	3,236	(3,236)	-	-	-	-	-	-	-	-
J5	Redemption of Preferred Shares	-	(501)	-	(2,102)	-	-	-	-	-	(2,603)
Z1	Balance as of December 31, 2024	\$964,367	\$-	\$-	\$2,223,879	\$164,315	\$102,046	\$462,279	\$(63,602)	\$(745)	\$3,852,539

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer:LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
January 1 to December 31, 2024 and 2023

Unit: NT\$1,000

Code	Item	2024	2023
		Amount	Amount
AAAA	Cash flow from operating activities:		
A10000	Current net income before tax	\$546,162	\$473,774
A20000	Adjustment items:		
A20010	Income and expenses items:		
A20100	Depreciation expenses	127,405	123,458
A20200	Amortization expenses	39,324	36,226
A20300	Expected credit impairment losses	238	816
A20400	Net losses (gains) on financial assets and liabilities at fair value through profit or loss	(292)	(1,571)
A20900	Interest expenses	22,623	22,353
A21200	Interest revenue	(10,493)	(7,092)
A22300	Share of gains of associates and joint ventures accounted for using the equity method	(91,327)	(50,423)
A22500	Loss on disposal of property, plant, and equipment	596	588
A23100	Loss (Gain) on disposal of investments	(1,313)	459
A24000	Unrealized sales profit	40,257	86,085
A29900	Other items	(7,334)	(7,323)
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Increase in notes payable	(173)	(1,967)
A31150	Increase in accounts receivable	(26,126)	(26,420)
A31160	Increase in accounts receivable – related parties	(288,014)	(276,108)
A31180	Decrease (increase) in other receivables	4,051	(2,457)
A31190	Increase in other receivables - related parties	(4,876)	(3,574)
A31200	Increase in inventories	(89,964)	(268,964)
A31230	Decrease(increase) in prepayments	30,308	(47,047)
A31240	Decrease (increase) in other non-current assets	60	(110)
A32125	Decrease in contractual liabilities	(86)	(6,784)
A32130	Increase in notes payable	(1,109)	608
A32150	Increase(decrease) in accounts payable	(86,028)	51,223
A32160	Increase (decrease) in accounts payable – related parties	14,475	(4,387)
A32180	Increase in other payables	15,528	121,267
A32190	Increase (decrease) in other payables – related parties	5,486	(1,550)
A32230	Increase in other current liabilities	1,636	2,568
A32240	Decrease in net defined benefit liabilities	(97)	(246)
A33000	Cash inflow generated from operations	240,917	213,402
A33100	Interest received	4,607	5,551
A33200	Dividends received	10,090	10,090
A33500	Income tax paid	(100,974)	(113,236)
AAAA	Net cash flows generated from operating activities	154,640	115,807
BBBB	Cash flow from investment activities:		
B00040	Acquisition of financial assets at amortized cost	(515)	(3,041)
B00050	Disposal of financial assets at amortized cost	516	1,168
B00100	Acquisition of financial assets at fair value through profit or loss	-	(8,010)
B00200	Disposal of financial assets at fair value through profit or loss	-	4,540
B01800	Acquisition of investments accounted for using equity method	(59,277)	(34,401)
B02700	Acquisition of property, plant, and equipment	(111,533)	(80,550)
B02800	Disposal of property, plant and equipment	46	181
B03700	Increase in refundable deposits	(2,692)	(3,437)
B04500	Acquisition of intangible assets	(62,753)	(33,649)
B06100	Decrease in lease payments receivable	14,906	5,322
B06800	Increase in other non-current assets	-	(1)
B07100	Increase in prepayments for business facilities	(23,539)	(64,830)
BBBB	Net cash outflows from investing activities	(244,841)	(216,708)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	3,380,000	2,184,682
C00200	Decrease in short-term loans	(2,810,000)	(2,320,999)
C01200	Issuance of corporate bonds	-	532,846
C01700	Repayments of long-term loans	(46,174)	(25,341)
C03000	Increase in refundable deposits	-	3,947
C03100	Decrease in refundable deposits	(22)	-
C04020	Lease principal repayments	(6,834)	(7,279)
C04500	Cash dividends paid	(385,867)	(200,607)
C04700	Cash capital decrease	(2,603)	-
C05600	Interest paid	(19,383)	(14,778)
CCCC	Net Cash inflow from financing activities	109,117	152,471
EEEE	Increase in cash and cash equivalents for the current period	18,916	51,570
E00100	Beginning balance of cash and cash equivalents	284,272	232,702
E00200	Cash and cash equivalents at end of period	\$303,188	\$284,272

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

## **【Attachment 4】**

### **INDEPENDENT AUDITORS' REPORT**

To United Orthopedic Corporation:

#### **Audit opinion**

We have audited the consolidated balance sheets of United Orthopedic Corporation and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, statements of changes in equity, statements of cash flows, and notes to the consolidated financial statements (including summary of significant accounting policies) for the years then ended.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Orthopedic Corporation and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Audit Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 United Orthopedic Corporation and its subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China ("the Code"), and we have fulfilled our other responsibilities under the Code. 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 ones that were of most significance in our audit of the consolidated financial statements of United Orthopedic Corporation for the year ended December 31, 2024 based on our professional judgment. 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.

## **Key Audit Matters (cont.)**

### Inventory Valuation

The net inventories of United Orthopedic Corporation and its subsidiaries as of December 31, 2024 were NT\$1,873,378 thousand, which accounted for 27% of the consolidated total assets. It was considered significant to the consolidated financial statements. With the continuous innovation of orthopedic supplies and equipment production technology, the inventory may become outdated or the selling price may drop. The estimated net realizable value and obsolescence loss involve significant management judgment. We believed that inventory valuation was of significance to the audit of consolidated financial statements; hence, we determined inventory valuation to be a key audit item. Our audit procedures include, but are not limited to, the following: evaluating the appropriateness of management's accounting policies for slow-moving and obsolete inventory, including the identification of slow-moving and obsolete inventory; understanding and assessing the appropriateness of internal controls established by management for inventory devaluation and slow-moving losses, and testing their effectiveness; conducting physical inventory counts to confirm the condition and safekeeping of inventory; selecting inventory samples and tracing them to purchase and sales documents; performing recalculations of inventory valuation. We also considered the appropriateness of inventory disclosures in Note 5 and Note 6 to the consolidated financial statements.

### Revenue Recognition

The primary products of United Orthopedic Corporation and its subsidiaries are orthopedic implants – artificial hip joints, artificial knee joints, and trauma-treatment products. In the fiscal year 2024, they recognized revenue of NT\$4,653,130 thousand, which is material to the consolidated financial statements. Due to the nature of the industry, the performance obligation is not satisfied until the customer obtains control over the goods. We believe that the recognition of revenue from contracts with customers was of significance to the audit of consolidated financial statements; hence, we determine revenue recognition to be a key audit item. Our audit procedures include but are not limited to the following audit procedures: We evaluated the appropriateness of the accounting policy for revenue recognition, and learned and tested the effectiveness of internal control established by management for sales cycle. We ensured that revenue is recognized when control over the product was transferred, including the selection of important customers as samples to verify transaction terms and relevant documents. We conducted analytical procedures on product types, regions and monthly gross margins. We also conducted analytical procedures on significant sales returns and allowance to understand the reasons for those transactions. We run the sales cut-off tests before and after the balance sheet date. We also considered the appropriateness of operating revenue disclosures in Note 6 to the consolidated financial statements.

## **Key Audit Matters (cont.)**

### Recognition of intangible assets arising from internal development

The net carrying amount of intangible assets of United Orthopedic Corporation and its subsidiaries was NT\$61,973 thousand on December 31, 2024, which is significant for the consolidated financial statements. United Orthopedic Corporation and its subsidiaries invested a significant amount of development costs on orthopedics equipment, including hip/knee replacements and surgical instruments, due to their corporate structure; in addition, the expenditures of capital has been transformed into intangible assets generated by internal developments. In order to meet the six capitalization requirements for development stage stated in IAS 38, United Orthopedic Corporation and its subsidiaries needed to provide technical feasibility assessments by project types to identify that a particular technology had reached technical feasibility. Moreover, the finance department shall conduct capitalization project assessments by development project. The management executed the aforementioned assessments on individual project based on internal and external information. As management's judgment and assumptions were involved, we determined this to be a key audit item. Our audit procedures include (but are not limited to) reviewing the appropriateness of accounting policies for capitalization of internally developed intangible assets; understanding and assessing the appropriateness of internal controls established by management for internally developed intangible assets and testing their effectiveness; sampling project reports to review management's assessment of the technical feasibility and future economic benefits of intangible assets; selecting various expenditures attributed to the development phase and verifying related documents to confirm the appropriateness of project cost attribution. We also considered the appropriateness of intangible assets disclosures in Note 5 and Note 6 to the consolidated financial statements.

### **Responsibilities of the management and governance bodies for the consolidated financial statements**

The responsibilities of management are to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and issued into effect by the Financial Supervisory Commission, and to maintain necessary internal controls relevant to the preparation of consolidated financial statements to ensure that consolidated financial statements are free from material misstatement due to fraud or error.

## **Responsibilities of the management and governance bodies for the consolidated financial statements (cont.)**

In preparing the consolidated financial statements, the management is responsible for assessing the ability of United Orthopedic Corporation and its subsidiaries in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the United Orthopedic Corporation and its subsidiaries or cease the operations, or has no realistic alternative but to do so.

The governance bodies of United Orthopedic Corporation and its subsidiaries (including the Audit Committee or Supervisors) are responsible for supervising the financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements may result from fraud or error. Misstatements 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 the consolidated financial statements.

We have exercised our professional judgment and maintained professional doubt when exercising auditing work according to the auditing standards generally accepted in the Republic of China. The accountant will also perform the following duties:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 necessary knowledge concerning internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of United Orthopedic Corporation and its subsidiaries.

### **Auditors' responsibilities for the audit of the consolidated financial statements (cont.)**

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the ability of United Orthopedic Corporation and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in United Orthopedic Corporation and its subsidiaries ceasing to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within United Orthopedic Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on United Orthopedic Corporation.

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 governance bodies, we determine the key audit matters within the audit of consolidated financial statements for the year ended December 31, 2024 for United Orthopedic Corporation and its subsidiaries. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Others

We have also audited the Consolidated Financial Statements of United Orthopedic Corporation for 2024 and 2023, of which unqualified opinions were issued for further reference.

Ernst & Young

Approval Number from Competent Authority for the Auditing and Attestation of Public Companies' Financial Statements by Certified Public Accountants:

Financial Supervisory Commission Securities Examination No. 1120349153

Financial Supervisory Securities Official Letter No. VI-0930133943

Lin, Shih-Huan

CPA:

Hsu, Jung-Huang

March 7, 2025

### Notice to Reader

*For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

UNITED ORTHOPEDIC CORPORATION AND ITS SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEET**  
December 31, 2023<sup>4</sup> and December 31, 2022<sup>3</sup>

Unit: NT\$1,000

Code	Assets	Note	December 31, 2024		December 31, 2023	
	Accounting Items		Amount	%	Amount	%
	Current Assets					
1100	Cash and cash equivalents	4 and 6(1)	\$610,682	9	\$449,020	7
1110	Financial assets at fair value through profit or loss - current	4 and 6(2)	9,005	-	8,887	-
1150	Net notes receivable	4, 6(5) and 6(20)	3,552	-	3,379	-
1170	Net accounts receivable	4, 6(6) and 6(20)	1,031,651	15	955,080	15
1180	Accounts receivable - related parties	4, 6(6), 6(20) and 7	146,574	2	124,250	2
1197	Net receivables under finance leases	4, 6(7), 6(20) and 6(21)	18,319	-	9,128	-
1200	Other receivables	4 and 7	22,828	-	25,253	-
1210	Other receivables – related parties	4 and 7	7,644	-	4,410	-
1220	Current income tax assets	4 and 6(25)	11,982	-	1,306	-
130x	Inventories	4 and 6(8)	1,873,378	27	1,691,336	26
1410	Prepayments	7	82,224	1	106,938	2
1470	Other current assets		4,565	-	4,801	-
11xx	Total current assets		<u>3,822,404</u>	<u>54</u>	<u>3,383,788</u>	<u>52</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss – non-current	4 and 6(2)	8,184	-	8,459	-
1517	Financial assets at fair value through other comprehensive income – non-current	4 and 6(3)	56,808	1	54,853	1
1535	Financial assets at amortized cost – non-current	4, 6(4), 6(20) and 8	10,916	-	9,853	-
1550	Investments accounted for using the equity method	4 and 6(9)	330,603	5	372,254	6
1600	Property, plant, and equipment	4, 6(10) and 8	1,790,732	26	1,580,581	25
1755	Right-of-use assets	4 and 6(21)	178,876	3	186,172	3
1780	Intangible Assets	4, 6(11), 6(12) and 7	577,624	8	571,465	9
1840	Deferred income tax assets	4 and 6(25)	159,697	2	112,363	2
1900	Other non-current assets	7	63,492	1	110,675	2
194D	Long-term net receivables under finance leases	4, 6(7), 6(20) and 6(21)	26,306	-	18,430	-
1975	Net defined benefit assets - non-current	4 and 6(17)	13,845	-	7,977	-
15xx	Total non-current assets		<u>3,217,083</u>	<u>46</u>	<u>3,033,082</u>	<u>48</u>
1xxx	Total assets		<u>\$7,039,487</u>	<u>100</u>	<u>\$6,416,870</u>	<u>100</u>

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION AND ITS SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEET**

December 31, 2023<sup>4</sup> and December 31, 2022<sup>3</sup>

Unit: NT\$1,000

Code	Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
	Accounting Items		Amount	%	Amount	%
	Current Liabilities					
2100	Short-term loans	4 and 6(13)	\$1,167,533	17	\$667,742	10
2130	Contract liabilities - current	4 and 6(19)	861	-	1,993	-
2150	Notes payable	4	1,733	-	2,842	-
2170	Accounts Payable	4	103,269	2	196,246	3
2180	Accounts payable – related parties	4 and 7	27,857	-	13,690	-
2200	Other payables	4	850,600	12	770,302	12
2220	Other payables - related parties	4 and 7	5,486	-	-	-
2230	Current income tax liabilities	4 and 6(25)	90,988	1	82,305	1
2280	Lease liabilities - current	4 and 6(21)	28,900	-	29,101	-
2300	Other current liabilities	7	43,327	1	49,830	1
2322	Long-term loan due within one year or one operating cycle	4, 6(16) and 8	150,244	2	76,814	1
21xx	Total current liabilities		2,470,798	35	1,890,865	28
	Non-Current Liabilities					
2500	Financial Liabilities at Fair Value through Profit or Loss - non-current	4 and 6(14)	-	-	1,762	-
2530	Corporate bonds payable	4 and 6(15)	-	-	226,264	4
2540	Long-term loans	4, 6(16) and 8	357,003	5	464,949	7
2570	Deferred income tax liabilities	4 and 6(25)	47,779	1	10,833	-
2580	Lease liabilities – non-current	4 and 6(21)	157,540	2	164,360	3
2600	Other non-current liabilities		5,369	-	5,393	-
2630	Long-term deferred revenue	6(9)	51,037	1	58,371	1
25xx	Total non-current liabilities		618,728	9	931,932	15
2xxx	Total liabilities		3,089,526	44	2,822,797	43
31xx	Equity attributable to owners of the parent company	4, 6(18) and 6(27)				
3100	Capital Stock					
3110	Capital stock - common shares		964,367	14	877,379	14
3120	Capital stock - preferred stock		-	-	3,737	-
3130	Bonds conversion rights certificate		-	-	44,171	-
	Total capital stock		964,367	14	925,287	14
3200	Capital Surplus		2,223,879	32	2,023,236	32
3300	Retained Earnings					
3310	Legal reserve		164,315	2	125,958	2
3320	Special reserve		102,046	1	98,377	2
3350	Undistributed earnings		462,279	7	426,860	7
	Total retained earnings		728,640	10	651,195	11
3400	Other Equity Interest					
3410	Exchange differences on translation of financial statements of foreign operations		(63,602)	(1)	(99,811)	(2)
3420	Unrealized gains (losses) from financial assets at fair value through other comprehensive income		(745)	-	(2,234)	-
	Total other equity interest		(64,347)	(1)	(102,045)	(2)
31xx	Total equity attributable to owners of the parent company		3,852,539	55	3,497,673	55
36xx	Non-Controlling Interests		97,422	1	96,400	2
3xxx	Total equity		3,949,961	56	3,594,073	57
	Total liabilities and equity		\$7,039,487	100	\$6,416,870	100

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION AND ITS SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

January 1 to December 31, 2024 and 2023

Unit: NT\$1,000

Code	Accounting Items	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(19) and 7	\$4,653,130	100	\$3,929,887	100
5000	Operating costs	4, 6(8), 6(21), 6(22) and 7	1,030,809	22	893,517	23
5900	Operating Gross Profit		3,622,321	78	3,036,370	77
5910	Realized sales profit		204	-	15,005	1
5950	Net operating gross profit		3,622,525	78	3,051,375	78
6000	Operating Expenses	4, 6(17), 6(20), 6(21), 6(22) and 7				
6100	Selling expenses		2,474,801	53	2,014,288	51
6200	Administrative expenses		303,016	7	300,353	8
6300	R&D expenses		220,493	5	185,029	5
6450	Expected credit impairment losses		15,227	-	8,436	-
	Total operating expenses		3,013,537	65	2,508,106	64
6900	Operating Profit		608,988	13	543,269	14
7000	Non-operating revenues and expenses	4, 6(9), 6(23) and 7				
7100	Interest revenue		10,817	-	7,101	-
7010	Other revenue		43,396	1	45,720	1
7020	Other gains and losses		26,388	1	33,694	1
7050	Finance costs		(43,190)	(1)	(44,142)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method		(71,295)	(2)	(76,416)	(2)
	Total non-operating revenues and expenses		(33,884)	(1)	(34,043)	(1)
7900	Net profit before tax		575,104	12	509,226	13
7950	Income Tax Expenses	4 and 6(25)	(114,723)	(2)	(120,917)	(3)
8200	Net profit for the period		460,381	10	388,309	10
8300	Other comprehensive income	4 and 6(24)				
8310	Items not reclassified to profit or loss:					
8311	Re-measurements of defined benefit plans		5,771	-	(582)	-
8316	Equity investments at fair value through other comprehensive income					
	Unrealized valuation gain		1,955	-	2,502	-
8360	Items that may be subsequently reclassified to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		23,544	1	2,383	-
8370	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method					
	– Items that may be subsequently reclassified to profit or loss		12,649	-	(8,178)	-
	Other comprehensive income (net amount after tax) for current period		43,919	1	(3,875)	-
8500	Total Amount of Comprehensive Income for current period		\$504,300	11	\$384,434	10
8600	Net income is attributable to:					
8610	Owners of the parent company		\$456,428		\$384,201	
8620	Non-Controlling Interests		3,953		4,108	
	Total		\$460,381		\$388,309	
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$499,897		\$379,951	
8720	Non-Controlling Interests		4,403		4,483	
	Total		\$504,300		\$384,434	
	Earnings per share (NT\$)	4 and 6(26)				
9750	Basic earnings per share		\$4.74		\$4.50	
9850	Diluted earnings per share		\$4.74		\$4.18	

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION AND ITS SUBSIDIARIES  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

January 1 to December 31, 2024 and 2023

Code	Item	Equity attributable to owners of the parent company									Equity attributable to owners of the parent company	Non-Controlling Interests	Total Equity
		Capital Stock			Retained Earning				Other equity items				
		Capital stock - common shares	Capital stock - preferred stock	Bonds conversion rights certificate	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains (losses) from financial assets at fair value through other comprehensive income			
3100	3120	3130	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX		
A1	Balance as of January 1, 2023	\$781,316	\$99,800	\$-	\$1,743,729	\$102,629	\$132,311	\$233,295	\$(93,938)	\$(4,439)	\$2,994,703	\$95,173	\$3,089,876
	Earnings distribution in 2022												
B1	Provision of legal reserve	-	-	-	-	23,329	-	(23,329)	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(196,027)	-	-	(196,027)	-	(196,027)
B7	Cash dividends of preference share	-	-	-	-	-	-	(4,580)	-	-	(4,580)	-	(4,580)
B17	Special reserve reversal	-	-	-	-	-	(33,934)	33,934	-	-	-	-	-
C5	Recognition of equity component for issuance of convertible corporate bonds-Arising from employee stock options	-	-	-	52,645	-	-	-	-	-	52,645	-	52,645
C7	Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	18,853	-	-	-	-	-	18,853	-	18,853
D1	Net profit for year 2023	-	-	-	-	-	-	384,201	-	-	384,201	4,108	388,309
D3	Other comprehensive income in 2023	-	-	-	-	-	-	(582)	(5,873)	2,205	(4,250)	375	(3,875)
D5	Total Amount of Comprehensive Income for current period	-	-	-	-	-	-	383,619	(5,873)	2,205	379,951	4,483	384,434
I1	Convertible corporate bonds conversion	-	-	44,171	208,082	-	-	-	-	-	252,253	-	252,253
J1	Convertible preference share conversion	96,063	(96,063)	-	-	-	-	-	-	-	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	-	(73)	-	-	(52)	-	-	(125)	125	-
O1	Increase and decrease in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(3,381)	(3,381)
Z1	Balance as of December 31, 2023	\$877,379	\$3,737	\$44,171	\$2,023,236	\$125,958	\$98,377	\$426,860	\$(99,811)	\$(2,234)	\$3,497,673	\$96,400	\$3,594,073
A1	Balance as of January 1, 2024	\$877,379	\$3,737	\$44,171	\$2,023,236	\$125,958	\$98,377	\$426,860	\$(99,811)	\$(2,234)	\$3,497,673	\$96,400	\$3,594,073
	Earnings distribution in 2023												
B1	Provision of legal reserve	-	-	-	-	38,357	-	(38,357)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	3,669	(3,669)	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(384,281)	-	-	(384,281)	-	(384,281)
B7	Cash dividends of preference share	-	-	-	-	-	-	(473)	-	-	(473)	-	(473)
C7	Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	16,791	-	-	-	-	-	16,791	-	16,791
C15	Distribution of cash dividends from capital reserves	-	-	-	(1,113)	-	-	-	-	-	(1,113)	-	(1,113)
D1	Net profit for year 2024	-	-	-	-	-	-	456,428	-	-	456,428	3,953	460,381
D3	Other comprehensive income in 2024	-	-	-	-	-	-	5,771	36,209	1,489	43,469	450	43,919
D5	Total Amount of Comprehensive Income for current period	-	-	-	-	-	-	462,199	36,209	1,489	499,897	4,403	504,300
I1	Convertible corporate bonds conversion	83,752	-	(44,171)	187,067	-	-	-	-	-	226,648	-	226,648
J1	Convertible preference share conversion	3,236	(3,236)	-	-	-	-	-	-	-	-	-	-
J5	Redemption of Preferred Shares	-	(501)	-	(2,102)	-	-	-	-	-	(2,603)	-	(2,603)
O1	Increase and decrease in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(3,381)	(3,381)
Z1	Balance as of December 31, 2024	\$964,367	\$-	\$-	\$2,223,879	\$164,315	\$102,046	\$462,279	\$(63,602)	\$(745)	\$3,852,539	\$97,422	\$3,949,961

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

UNITED ORTHOPEDIC CORPORATION AND ITS SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

January 1 to December 31, 2024 and 2023

Unit: NT\$1,000

Code	Item	2024	2023	Code	Item	2024	2023
		Amount	Amount			Amount	Amount
AAAA	Cash flow from operating activities:			BBBB	Cash flow from investment activities:		
A10000	Current net income before tax	\$575,104	\$509,226	B00040	Acquisition of financial assets at amortized cost	(1,579)	(3,041)
A20000	Adjustment items:			B00050	Disposal of financial assets at amortized cost	516	1,168
A20010	Income and expenses items:			B00100	Acquisition of financial assets at fair value through profit or loss	-	(8,010)
A20100	Depreciation expenses	399,328	344,404	B00200	Disposal of financial assets at fair value through profit or loss	-	4,540
A20200	Amortization expenses	60,592	52,067	B02700	Acquisition of property, plant, and equipment	(502,425)	(445,697)
A20300	Expected credit impairment losses	15,227	8,436	B02800	Disposal of property, plant and equipment	12,429	6,824
A20400	Net losses (gains) on financial assets and liabilities at fair value through profit or loss	(2,054)	(1,571)	B03700	Increase in refundable deposits	(4,029)	(8,443)
A20900	Interest expenses	43,190	44,142	B04500	Acquisition of intangible assets	(64,997)	(44,325)
A21200	Interest revenue	(10,817)	(7,101)	B06100	Decrease in lease payments receivable	18,396	8,796
A22300	Share of profit or loss of associates and joint ventures accounted for using the equity method	71,295	76,416	B06800	Decrease in other non-current assets	-	85,985
A22500	Loss (gain) on disposal and retirement of property, plant, and equipment	(1,655)	179	B07100	Increase in prepayments for business facilities	(21,911)	(67,510)
A23100	Loss on disposal of investments	449	458	BBBB	Net cash outflows from investing activities	(563,600)	(469,713)
A24000	Realized sales profit	(204)	(15,005)				
A29900	Other items	(6,843)	(3,576)	CCCC	Cash flows from financing activities:		
A30000	Changes in assets/liabilities related to operating activities:			C00100	Increase in short-term loans	4,105,924	2,809,749
A31130	Increase in notes payable	(173)	(1,967)	C00200	Decrease in short-term loans	(3,617,063)	(2,915,133)
A31150	Increase in accounts receivable	(91,798)	(211,095)	C01200	Issuance of corporate bonds	-	532,846
A31160	Increase in accounts receivable – related parties	(22,324)	(31,906)	C01600	Proceeds from long-term loans	44,469	6,718
A31180	Decrease (increase) in other receivables	2,575	(11,146)	C01700	Repayments of long-term loans	(79,042)	(57,686)
A31190	Increase in other receivables - related parties	(3,234)	(3,216)	C03000	Increase in refundable deposits	-	3,947
A31200	Increase in inventories	(212,415)	(377,310)	C03100	Decrease in refundable deposits	(22)	-
A31230	Decrease(increase) in prepayments	24,714	(48,465)	C04020	Lease principal repayments	(36,489)	(32,352)
A31240	Decrease (increase) in other non-current assets	236	(220)	C04500	Cash dividends paid	(385,867)	(200,607)
A32125	Decrease in contractual liabilities	(1,132)	(8,412)	C04700	Cash capital decrease	(2,603)	-
A32130	Increase in notes payable	(1,109)	608	C05600	Interest paid	(40,265)	(34,693)
A32150	Increase(decrease) in accounts payable	(92,977)	61,525	C05800	Changes in non-controlling interests	(3,381)	(3,381)
A32160	Increase (decrease) in accounts payable – related parties	14,167	(4,761)	CCCC	Net cash inflows (outflows) from financing activities	(14,339)	109,408
A32180	Increase in other payables	80,870	175,314				
A32190	Increase (decrease) in other payables – related parties	5,486	(1,553)				
A32230	Increase (decrease) in other current liabilities	(6,503)	10,551				
A32240	Decrease in net defined benefit liabilities	(97)	(246)				
A33000	Cash inflow generated from operations	839,898	555,776	DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	22,312	(22,461)
A33100	Interest received	4,070	4,810	EEEE	Increase in cash and cash equivalents for the current period	161,662	50,963
A33500	Income tax paid	(126,679)	(126,857)	E00100	Beginning balance of cash and cash equivalents	449,020	398,057
AAAA	Net cash flows generated from operating activities	717,289	433,729	E00200	Cash and cash equivalents at end of period	\$610,682	\$449,020

(Please refer to the notes to the consolidated financial statements)

Chairman: Lin, Yan-Sheng

Managerial officer: LIN Deqiong

Accounting Manager: Teng, Yuan-Chang

**【Attachment 5】**

## UNITED ORTHOPEDIC CORPORATION

**Earnings distribution Table**

2024

Unit: NTD

Item	Amount
Undistributed earnings at the start of period (Note 1)	79,369
Add: Net profit after tax for 2024	456,427,301
Add: Other comprehensive income for 2024	5,771,418
Less: Provision for legal reserve of 10%	(46,219,872)
Plus: Reversal amount of special surplus reserve	37,698,029
Distributable profit for the period	453,756,245
Distribution Item	
Class A Preferred Stock Dividend (Distribution of \$2.387396 per share)	(119,456)
Common Stock Cash Dividend (Distribution of \$4 per share)	(385,746,816)
Undistributed retained earnings at end of period	67,889,973
Note 1: The unappropriated retained earnings at the beginning of the period include an adjustment of NT\$79,369 for the distribution of dividends on Class A Preferred Shares A in 2023.	

**Person in Charge:**  
Lin, Yan-Shen

**Managerial Officer:**  
Lin, Yan-Shen

**Accountant in Charge:**  
Deng, Yuan-Chang

**【Attachment 6】**

**UNITED ORTHOPEDIC CORPORATION**

**Procedures for Board of Directors' Meetings Comparison Table of Partial Amendments**

Amended Articles	Current Articles	Description:
<p><b>Article 8: (Board Meeting Reference Materials, Attendees, and Convening of Board Meetings)</b></p> <p>Paragraphs 1 to 4 are omitted.</p> <p>If at the scheduled time for the meeting, half of all directors are not in attendance, the chairperson may announce a postponement of the meeting on that day, with such postponements limited to two times. If after two postponements there is still no quorum, the chairperson may reconvene the meeting according to the procedures prescribed in Paragraph 2, Article 3.</p> <p>Paragraph 6 is omitted.</p>	<p><b>Article 8: (Board Meeting Reference Materials, Attendees, and Convening of Board Meetings)</b></p> <p>Paragraphs 1 to 4 are omitted.</p> <p>If at the scheduled time for the meeting, half of all directors are not in attendance, the chairperson may announce a postponement of the meeting, with such postponements limited to two times. If after two postponements there is still no quorum, the chairperson may reconvene the meeting according to the procedures prescribed in Paragraph 2, Article 3.</p> <p>Paragraph 6 is omitted.</p>	<p>In accordance with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and the "Reference Example of Rules of Procedure for Board of Directors Meetings of XX Co., Ltd. (2024.08.23)"; to avoid disputes arising from uncertain extensions of board meeting times, Paragraph 5 of this Article has been amended to clearly specify that when attendance is insufficient, the chairperson may announce a postponement of the meeting limited to the same day.</p>
<p><b>Article 11: (Meeting process)</b></p> <p>Paragraphs 1 to 3 are omitted.</p> <p><u>During the course of a board meeting, if the chairperson is unable to preside over the meeting for any reason or fails to announce the adjournment of the meeting in accordance with Paragraph 2, the selection of a proxy shall be conducted in accordance with Paragraph 3, Article 7.</u></p>		<p>In accordance with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," in cases where the chairperson is unable to preside over the meeting for any reason or fails to announce the adjournment of the meeting as required during the course of a board meeting, to avoid affecting the operation of the board of directors, Paragraph 4 has been added.</p>

**【Attachment 7】**

**United Orthopedic Corporation**  
**Articles of Incorporation Comparison Table of Partial Amendments**

Amended Articles	Current Articles	Description:
<b>Article 2: The business scope of the Company is as follows:</b> <u>1. CF01011 Medical Devices Manufacturing Industry</u> <u>2. F108031 Medical Devices Wholesale Industry</u> <u>3. F208031 Medical Devices Retail Industry</u> <u>4. CE01010 General Instruments Manufacturing Industry</u> <u>5. CO01010 Mold Manufacturing Industry</u> <u>6. C805990 Other Plastic Products Manufacturing Industry</u> <u>7. CB01010 Machinery Equipment Manufacturing Industry</u> <u>8. F401010 International Trade Industry</u> <u>9. IG01010 Biotechnology Services Industry</u> <u>10. ZZ99999 Except for licensed businesses, may operate businesses that are not prohibited or restricted by laws and regulations</u>	<b>Article 2: The businesses operated by this company are as follows:</b> (1) Research, development, production and sales on the following products: 1. Artificial orthopedic implants: including artificial joints, artificial bone plates, intramedullary rods, bone pins and so on. 2. Orthopedic surgical equipment and its manufacturing equipment. 3. Special metal and plastic materials. (2) The import, export and trade of aforementioned products.	Considering the company's current actual situation, it is proposed to amend certain provisions of the Company's Articles of Incorporation.

Amended Articles	Current Articles	Description:
<p><b>Article 20:</b> If the Company has profits in the fiscal year, it shall allocate 12 percent as employee compensation and up to a maximum of 3 percent as directors' compensation. However, when the Company has accumulated losses (including adjustment on non-distributed earnings), the loss should offset first from profits. The employee compensation amount in the preceding paragraph shall allocate no less than 15 percent for salary adjustments or compensation distribution to basic-level employees. <u>And may be distributed in stocks or cash, with eligible recipients including employees of controlling or subsidiary companies who meet certain conditions, while directors' compensation can only be distributed in cash.</u> <u>The preceding two paragraphs shall be implemented by special resolution of the Board of Directors and reported to the shareholders' meeting.</u></p>	<p><b>Article 20:</b> In case the Company makes a profit in the current year (profit refers to income before tax and before distribution of remuneration to employees and Directors), 12% shall be allocated as the employee remuneration and no more than 3% as remuneration to Directors. However, when the Company has accumulated losses (including adjustment on non-distributed earnings), the loss should offset first from profits. The Company may only distribute the aforementioned employees remuneration and remuneration to Directors in cash by a Board resolution and reported to the shareholders' meeting.</p>	<p>According to the requirements of newly revised laws and regulations, it is proposed to amend certain provisions of the Company's Articles of Incorporation.</p>
<p><b>Article 22:</b> These Articles of Incorporation were established on February 1, 1993. Omitted The twenty-third amendment was made on June 21, 2022. The twenty-fourth amendment was made on June 15, 2023. <u>The 25th amendment was made on June 17, 2025.</u></p>	<p><b>Article 22:</b> These Articles of Incorporation were established on February 1, 1993. Omitted The twenty-third amendment was made on June 21, 2022. The twenty-fourth amendment was made on June 15, 2023.</p>	<p>Added amendment date.</p>

**【Attachment 8】**

## UNITED ORTHOPEDIC CORPORATION

### Procedures for Acquisition or Disposal of Assets Comparison Table of Amended Articles

Amended Articles	Current Articles	Description:
<b>Article 1: Purpose</b> To protect assets and implement information disclosure, these procedures are specifically established. <u>For any matters not covered in these procedures, they shall be handled in accordance with relevant laws and regulations.</u>	<b>Article 1: Purpose</b> To protect assets and implement information disclosure, these procedures are specifically established.	<b>1.</b> The text of the current Article 19 is amended to this article.
(Removed)	<b>Article 2: Legal Basis</b> <del>These procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission.</del>	<b>1.</b> Delete the text description of the legal basis in the current article.
<b>Article 2: Scope of Assets</b> 1. Investment in securities: Including stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, subscription (sale) warrants, beneficiary securities, and asset-backed securities, etc. 2. Real estate (including land, housing and construction, investment property) and equipment.	<b>Article 3: Scope of Assets</b> 1. Securities: Including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, subscription (sale) warrants, beneficiary certificates, and asset-backed securities. 2. Real estate and other fixed assets. 3. Membership certificates.	<b>1.</b> Amended article number and text description. <b>2.</b> Delete the current sixth paragraph. (Not applicable)

Amended Articles	Current Articles	Description:
3. Membership certificates. 4. Intangible assets: Including patents, copyrights, trademarks, franchise rights, etc. 5. Right-of-use assets. 6. Derivative products. 7. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law. 8. Other important assets.	4. Intangible assets: Including patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets. 6. Claims against financial institutions (including receivables, discounted exchange purchases and loans, and collection items). 7. Derivative products. 8. Assets acquired or disposed of through legal merger, division, acquisition, or share transfer. 9. Other significant assets.	
<b>Article 3: Definition of Terms</b> (omitted)	<b>Article 4: Definition of Terminology</b> (omitted)	<b>1.</b> Amendment to article numbering.
(Removed)	<del><b>Article 5: Investment Limits for Non-business Real Estate and Securities</b></del> (omitted)	<b>1.</b> Delete the current text and amend to Article 6
<b>Article 4:</b> The appraisal reports or opinions issued by accountants, lawyers, or securities underwriters obtained by the Company shall comply with the following requirements: the professional appraiser and their appraisal personnel, accountants, lawyers, or securities underwriters shall meet the following	<b>Article 6:</b> The appraisal reports or opinions issued by certified public accountants, attorneys, or securities underwriters obtained by the Company shall comply with the following requirements: the professional appraiser and its appraisal personnel, certified public accountant, attorney, or securities underwriter shall meet the following requirements:	<b>1.</b> Amendment to article numbers and numbering.

Amended Articles	Current Articles	Description:
<p>criteria:</p> <p>1. Has never been sentenced to imprisonment for one year or more for violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related crimes. However, this restriction does not apply to those who have completed their sentence, finished their probation period, or been pardoned for three years or more.</p> <p>2. Must not be a related party or have a substantive relationship with any party to the transaction.</p> <p>3. If the Company needs to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel must not be related parties or have a substantive relationship with each other.</p> <p>The personnel mentioned in the preceding paragraph, when issuing appraisal reports or opinions, shall comply with the self-regulatory rules of their respective industry associations and the following matters:</p> <p>1. Before accepting an engagement, they shall carefully evaluate their own professional competence, practical experience, and</p>	<p>1. Has never been sentenced to imprisonment for one year or more for violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related crimes. However, this restriction does not apply to those who have completed their sentence, finished their probation period, or been pardoned for three years or more.</p> <p>2. Must not be a related party or have a substantive relationship with any party to the transaction.</p> <p>3. If the Company needs to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel must not be related parties or have a substantive relationship with each other.</p> <p>The personnel mentioned in the preceding paragraph, when issuing appraisal reports or opinions, shall comply with the self-regulatory rules of their respective industry associations and the following matters:</p> <p>(1) Before accepting an engagement, they shall carefully evaluate their own professional competence, practical experience, and independence.</p> <p>(2) When executing the engagement, they shall</p>	

Amended Articles	Current Articles	Description:
<p>independence.</p> <p>2. When executing the engagement, they shall properly plan and implement appropriate operating procedures to form conclusions and issue reports or opinions accordingly; and shall record in detail the procedures performed, information collected, and conclusions reached in the case working papers.</p> <p>3. They shall evaluate the appropriateness and reasonableness of the data sources, parameters, and information used on an item-by-item basis, as the foundation for issuing appraisal reports or opinions.</p> <p>4. Declarations should include statements that the relevant personnel possess professional expertise and independence, have evaluated the information used as appropriate and reasonable, and have complied with relevant laws and regulations.</p>	<p>properly plan and implement appropriate operating procedures to form conclusions and issue reports or opinions accordingly; and shall record in detail the procedures performed, information collected, and conclusions reached in the case working papers.</p> <p>(3) They shall evaluate the appropriateness and reasonableness of the data sources, parameters, and information used on an item-by-item basis, as the foundation for issuing appraisal reports or opinions.</p> <p>(4) Declarations should include statements that the relevant personnel possess professional expertise and independence, have evaluated the information used as appropriate and reasonable, and have complied with relevant laws and regulations.</p>	
<p><b>Article 5:</b></p> <p>Assets acquired or disposed of through court auction procedures may use the documentary proof issued by the court in place of an appraisal report or CPA opinion.</p>	<p><b>Article 7:</b> Assets acquired or disposed of through court auction procedures may use the documentary proof issued by the court in place of an appraisal report or CPA opinion.</p>	<p>1. Amendment to article numbering.</p>
<p>(Removed)</p>	<p><b>Article 8: Procedures for Acquisition or Disposal of Real Property, Equipment, or Right of Use Assets</b> (omitted)</p>	<p>1. Delete the current article text and amend to Article 7.</p>

Amended Articles	Current Articles	Description:
<p><b>Article 6: <u>Limits for the Company and its Subsidiaries on Acquisition of Real Property and Right-of-Use Assets Not for Business Use or Securities</u></b></p> <p>1. <u>The Company's purchase of real property and right-of-use assets not for business use shall not exceed 15 percent of the net worth shown in the Company's most recent financial statements.</u> Each subsidiary of the Company may purchase real property and right-of-use assets not for business use, provided that the total amount shall not exceed 5 percent of the net worth shown in the Company's most recent financial statements.</p> <p>2. The Company's total investment in securities shall not exceed 70 percent of the net worth shown in the Company's most recent financial statements. Each subsidiary of the Company may invest in securities, provided that the total amount shall not exceed 25 percent of the net worth shown in the Company's most recent financial statements.</p> <p>3. The Company's investment in an individual security shall not exceed 10 percent of the net worth</p>	<p><b>Article 5: Investment Limits for Non-business Real Estate and Securities</b></p> <p><del>The limits for the Company and each subsidiary to individually acquire the aforementioned assets are set as follows:</del></p> <p>1. Real estate not for business use shall not exceed 15 percent of the net worth shown in the most recent financial statements of the Company <del>and each subsidiary.</del></p> <p>2. The total amount of investment in securities shall not exceed 70 percent of the net worth shown in the most recent financial statements of the Company <del>and each subsidiary.</del></p> <p>3. The amount of investment in an individual security shall not exceed 10 percent of the net worth shown in the most recent financial statements of the Company <del>and each subsidiary.</del></p> <p>Any investment exceeding the above limits and scope shall be submitted to the Board of Directors for approval before proceeding.</p>	<p>1. Amended article number and text description.</p> <p>2. In accordance with Article 7 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the limits on the total amount of real estate and right-of-use assets not for business use or securities acquired by the Company and its subsidiaries, as well as the limits on individual securities, are established separately.</p>

Amended Articles	Current Articles	Description:
<p>shown in the Company's most recent financial statements. Each subsidiary of the Company may invest in an individual security, provided that the amount shall not exceed 3 percent of the net worth shown in the Company's most recent financial statements.</p> <p>4.Any investment exceeding the above limits and scope shall be submitted to the Board of Directors for approval before proceeding.</p>		
<p><b>Article 7: Evaluation and Operating Procedures for Acquisition or Disposal of Real Estate, Equipment, or Right-of-Use Assets</b></p> <p>1. Operating Procedures and Authorization Limits</p> <p>(1) For acquisition or disposal of real estate or its right-of-use assets, reference should be made to the publicly announced current value, assessed value, actual transaction prices of neighboring real estate or right-of-use assets, etc., to determine the transaction conditions and price. An analysis report should be prepared and submitted to the President. For transaction amounts within 20 percent of the Company's paid-in capital, approval from the President is required. For amounts exceeding 20 percent of the paid-in capital, approval must be obtained from the Board of Directors before</p>	<p><b>Article 8: Procedures for Acquisition or Disposal of Real Property, Equipment, or Right-of-Use Assets</b></p> <p>1. Evaluation and Operating Procedures</p> <p><del>The Company's acquisition or disposal of real property, equipment, or right-of-use assets shall be handled in accordance with the fixed asset cycle of the Company's internal control system.</del></p> <p><del>2. Decision-making Procedures for Transaction-Conditions and Authorization Limits</del></p> <p>The Company's acquisition or disposal of real property or right-of-use assets shall take into consideration the published current value, assessed value, actual transaction prices of neighboring real property or right-of-use assets, etc., to determine the transaction conditions and price, and prepare an</p>	<p>1. Amend the article numbers, numbering, and textual descriptions.</p> <p>2. Amend and add Item 3 to Subparagraph 1.</p> <p>3. According to the "Audit Committee Charter," significant asset or derivative transactions should be approved by the Audit Committee and submitted to the Board of Directors for resolution. Item 4 is added to Subparagraph 1.</p>

Amended Articles	Current Articles	Description:
<p>proceeding.</p> <p>(2) For acquisition or disposal of equipment or its right-of-use assets, one of the following methods should be adopted: price inquiry, price comparison, price negotiation, or tendering. For transaction amounts within 20 percent of the Company's paid-in capital, approval shall be obtained according to the authorization hierarchy; for amounts exceeding 20 percent of the paid-in capital, approval must be obtained from the Board of Directors before proceeding.</p> <p><u>(3) When acquiring or disposing of real estate, equipment, or their right-of-use assets that require approval from the Board of Directors in accordance with the processing procedures or other legal regulations, if any director expresses an objection and it is recorded or submitted in writing, the Company shall forward the director's objection materials to the Audit Committee. Furthermore, the opinions of each independent director should be fully considered. If independent directors have objections or reservations, these should be recorded in the minutes of the Board meeting.</u></p> <p><u>(4) Significant transactions involving the acquisition or disposal of assets should be approved by the Audit Committee in accordance with relevant regulations</u></p>	<p>analysis report to be submitted to the President. Acquisition or disposal of equipment or right-of-use assets shall be conducted through one of the following methods: price inquiry, price comparison, price negotiation, or bidding. For amounts within 20% of the paid-in capital, approval from the Chairman is required; for amounts exceeding 20% of the paid-in capital, approval from the Board of Directors must be obtained before proceeding.</p> <p><del>3. Implementation Unit</del></p> <p><del>When the Company acquires or disposes of real property, equipment, or right of use assets, after obtaining approval according to the authorization limits specified in the preceding paragraph, the user</del></p>	

Amended Articles	Current Articles	Description:
<p><u>and then submitted to the Board of Directors for resolution.</u></p> <p>2. Implementation Units: Management Department, Finance Department or other relevant units are responsible for implementation.</p> <p><u>3. Evaluation Procedures</u></p> <p>For the acquisition or disposal of real estate, equipment, or their right-of-use assets, except for transactions with domestic government agencies, self-built construction on owned land, commissioned construction on leased land, or acquisition or disposal of equipment or its right-of-use assets for business operations, if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, a professional appraisal report shall be obtained before the date of occurrence, and shall comply with the following provisions:</p> <p>(1) When a limited price, specified price, or special price must be used as a reference for the transaction price due to special circumstances, the transaction should first be submitted to the Board of Directors for approval. If there are subsequent changes to the transaction conditions, the same procedures should be followed.</p> <p>(2) If the transaction amount reaches NT\$1 billion or</p>	<p><del>department and the administration department</del> shall be responsible for implementation.</p> <p>4-Appraisal Reports for Real Property, Equipment, or Right-of-use Assets</p> <p>For the acquisition or disposal of real estate, equipment, or their right-of-use assets, except for transactions with domestic government agencies, self-built construction on owned land, commissioned construction on leased land, or acquisition or disposal of equipment or its right-of-use assets for business operations, if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, a professional appraisal report shall be obtained before the date of occurrence, and shall comply with the following provisions:</p> <p>(1) When a limited price, specified price, or special price must be used as a reference for the transaction price due to special circumstances, the transaction should first be submitted to the Board of Directors for approval. If there are subsequent changes to the transaction conditions, the same procedures should be followed.</p> <p>(2) If the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) If the appraisal results from the professional</p>	

Amended Articles	Current Articles	Description:
<p>more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) If the appraisal results from the professional appraiser have any of the following circumstances, unless the appraisal results for assets to be acquired are all higher than the transaction amount, or the appraisal results for assets to be disposed of are all lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The appraisal result differs from the transaction amount by 20 percent or more of the transaction amount.</p> <p>2. The difference between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) The date of the appraisal report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value applies and does not exceed six months, the original professional appraiser may issue a statement of opinion.</p>	<p>appraiser have any of the following circumstances, unless the appraisal results for assets to be acquired are all higher than the transaction amount, or the appraisal results for assets to be disposed of are all lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The appraisal result differs from the transaction amount by 20 percent or more of the transaction amount.</p> <p>2. The difference between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) The date of the appraisal report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value applies and does not exceed six months, the original professional appraiser may issue a statement of opinion.</p>	
<b>Article 8: Evaluation and Operating Procedures</b>	<b>Article 9: Procedures for Acquiring or Disposing of</b>	<b>1.</b> Amend the article numbers,

Amended Articles	Current Articles	Description:
<p><b>for Acquisition or Disposal of Securities</b></p> <p>1. Operating Procedures and Authorization Limits</p> <p>(1) Transactions of securities conducted on a centralized or non-centralized securities exchange market or at securities firms shall be decided by the implementing unit based on market conditions and judgment. The implementing unit shall evaluate and submit to the Board of Directors for approval before implementation. However, for transaction amounts below 20% of the paid-in capital, the Board of Directors may authorize the Chairman to approve, and subsequently submit to the Board of Directors for ratification.</p> <p>(2) For securities transactions not conducted on a centralized securities exchange market or at securities firms, the Company shall first obtain the most recent financial statements of the target company audited or reviewed by a certified public accountant as reference for evaluating the transaction price, taking into consideration factors such as net worth per share, profitability, and future development potential. <u>The implementing unit shall evaluate and submit to the Board of Directors for approval before implementation. However, for transaction amounts below 20% of the paid-in capital, the Board of Directors may authorize the</u></p>	<p><b>Securities Investments</b></p> <p>1. Evaluation and Operating Procedures</p> <p><del>The purchase and sale of securities by the Company shall be conducted in accordance with the investment cycle of the Company's internal control system.</del></p> <p><del>2. Decision-making Procedures for Transaction Conditions and Authorization Limits</del></p> <p>For securities trading conducted on the centralized or non-centralized securities exchange or at securities dealers' business offices, the responsible unit shall make decisions based on market conditions. The acquisition and disposal of securities shall be evaluated by the implementing unit and implemented after approval by the Board of Directors. However, the Board of Directors may authorize the Chairman to approve transactions with amounts within 20% of the paid-in capital, and subsequently report to the Board of Directors for ratification. However, for securities trading not conducted on the centralized securities exchange or at securities dealers' business offices, the Company shall, prior to the date of occurrence, obtain the latest financial statements of the target company audited or reviewed by a certified public accountant as reference for evaluating the transaction price, taking into consideration factors such as net worth per share, profitability, and future development potential.</p>	<p>numbering, and textual descriptions.</p> <p>2. Amend and add Item 3 to Subparagraph 1.</p> <p>3. According to the "Audit Committee Charter," significant asset or derivative transactions should be approved by the Audit Committee and submitted to the Board of Directors for resolution. Item 4 is added to Subparagraph 1.</p>

Amended Articles	Current Articles	Description:
<p><u>Chairman to approve, and subsequently submit to the Board of Directors for ratification.</u></p> <p><u>When acquiring or disposing of securities, if such matters must be approved by the Board of Directors in accordance with handling procedures or other laws and regulations, and any director expresses objection with records or written statements, the Company shall submit such director's objection materials to the Audit Committee. Furthermore, the opinions of each independent director should be fully considered. If independent directors have objections or reservations, these should be recorded in the minutes of the Board meeting.</u></p> <p>Major transactions involving the acquisition or disposal of securities shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.</p> <p>2. Implementing Unit: The Finance Department shall be responsible for implementation.</p> <p><u>3. Evaluation Procedures</u></p> <p>When acquiring or disposing of securities with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence, engage a certified public accountant to provide an</p>	<p>3. Implementation Unit</p> <p>When the Company invests in long and short-term securities, the Finance and Accounting Department shall be responsible for execution after obtaining approval according to the authorization limits specified in the preceding paragraph.</p> <p><del>4. Obtaining CPA's Opinion</del></p> <p>The Company shall, prior to the date of occurrence, engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price when acquiring or disposing of securities with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more. However, this requirement does not apply if the</p>	

Amended Articles	Current Articles	Description:
opinion regarding the reasonableness of the transaction price. However, this requirement does not apply if the securities have quoted prices in active markets or if the Financial Supervisory Commission has specified otherwise.	securities have quoted prices in active markets or if the Financial Supervisory Commission has specified otherwise.	
(Removed)	<b>Article 10: Procedures for Related Party Transactions</b> (omitted)	1. Delete the current provisions and amend to Article 11.
<b>Article 9: Evaluation and Operating Procedures for Acquisition or Disposal of Membership Certificates, Intangible Assets, or Right-of-Use Assets thereof</b> 1. Operating Procedures and Authorization Limits <u>(1) For the acquisition or disposal of membership certificates, reference should be made to fair market prices, and a resolution on transaction terms and prices should be made, with an analysis report prepared and submitted to the President. For</u> transaction amounts within 20 percent of the Company's paid-in capital, approval from the Chairman is required. For amounts exceeding 20 percent of the paid-in capital, approval must be obtained from the Board of Directors before proceeding. <u>(2) For the acquisition or disposal of intangible</u>	<b>Article 11: Procedures for Acquiring or Disposing of Intangible Assets or Right-of-Use Assets Thereof or Membership Certificates</b> 1. Evaluation and Operating Procedures <del>The Company shall handle the acquisition or disposal of intangible assets or right-of-use assets thereof or membership certificates in accordance with the Company's regulations.</del> <del>2. Decision-making Procedures for Transaction Conditions and Authorization Limits</del> When the Company acquires or disposes of assets that should be approved by the Board of Directors according to the established handling procedures or other legal regulations, the opinions of each Independent Director shall be fully considered, and their consent or objection along with the reasons	1. Amend the article numbers, numbering, and textual descriptions. 2. Revised to add Subparagraphs (1) and (2) to Paragraph 1. 3. According to the "Audit Committee Charter," significant asset or derivative transactions should be approved by the Audit Committee and submitted to the Board of Directors for resolution. Item 4 is added to Subparagraph 1.



Amended Articles	Current Articles	Description:
<p><u>of Directors for resolution.</u></p> <p>2. Implementation Unit</p> <p>The implementation is the responsibility of the user department, Finance Department, or Administrative Department.</p> <p>3. Evaluation Procedures</p> <p>Where the transaction amount of acquiring or disposing of intangible assets or right-of-use assets thereof or membership certificates reaches 20% or more of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the company shall engage a CPA prior to the date of occurrence to render an opinion on the reasonableness of the transaction price.</p>	<p><del>4. Expert Evaluation Opinion Reports for Intangible Assets or Right-of-Use Assets Thereof or Membership Certificates</del></p> <p>Where the transaction amount of acquiring or disposing of intangible assets or right-of-use assets thereof or membership certificates reaches 20% or more of the company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence to render an opinion on the reasonableness of the transaction price.</p>	
<p>Article 10: The calculation of the transaction amounts referred to in Articles 7, 8, and 9 shall be conducted in accordance with Article 14, Paragraph 1, Subparagraph (7). The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, calculated retrospectively. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the regulations need not be counted toward the transaction amount.</p>	<p>Article 11-1:</p> <p>Article 8, 9, and 11 transaction amount calculations shall be conducted in accordance with Article 15, Paragraph 1, Subparagraph 5. The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, calculated retrospectively. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Regulations need not be counted toward the transaction amount.</p>	<p>1. Revised article number and referenced provisions.</p>

Amended Articles	Current Articles	Description:
(Removed)	<p><b>Article 12: Procedures for Acquisition or Disposal of Claims against Financial Institutions</b></p> <p><del>In principle, the Company does not engage in transactions involving acquisition or disposal of claims against financial institutions. If the Company wishes to engage in such transactions in the future, it will submit the matter to the Board of Directors for approval before establishing evaluation and operating procedures.</del></p>	1. Delete the current article. (Not applicable)
<p><b>Article 11: Procedures for Related Party Transactions</b></p> <p>1. When acquiring or disposing of assets with related parties, in addition to following the relevant resolution procedures and evaluating the reasonableness of transaction terms in accordance with these Procedures. If the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or an opinion from a CPA in accordance with the regulations.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in</p>	<p><b>Article 10: Procedures for Related Party Transactions</b></p> <p>1. When the Company acquires or disposes of assets with related parties, in addition to following other articles in these Procedures, the Company shall also comply with the following provisions regarding relevant resolution procedures and evaluation of the reasonableness of transaction terms. If the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or an opinion from a CPA in accordance with the regulations.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be conducted in accordance</p>	<p>1. Amendment of the article number, numbering, index article, and text description.</p> <p>2. Revised in accordance with the provisions of Articles 14 to 18 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Amended Articles	Current Articles	Description:
<p>accordance with Article 14, Paragraph 1, Item (7).</p> <p>When determining whether a transaction counterparty is a related party, in addition to considering its legal form, the substantive relationship should also be taken into account.</p> <p>2. Evaluation and Operating Procedures</p> <p>(1) When acquiring or disposing of real property or right-of-use assets from a related party, or when acquiring or disposing of assets other than real property or right-of-use assets from a related party where the transaction amount reaches 20 percent of the company's paid-in capital, 10 percent of the company's total assets, or NT\$300 million or more, except for trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall first be approved by the Audit Committee, and then submitted to the Board of Directors for approval before signing the transaction contract and making payment:</p> <p>1. The purpose, necessity, and anticipated benefits of acquiring or disposing of the assets.</p> <p>2. The reason for selecting the related party as the</p>	<p>with the provisions of Article 11-1.</p> <p>When determining whether a transaction counterparty is a related party, in addition to considering its legal form, the substantive relationship should also be taken into account.</p> <p>2. Evaluation and Operating Procedures</p> <p>When the Company acquires or disposes of real property or right-of-use assets from or to a related party, or when it acquires or disposes of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the following information shall first be approved by the Audit Committee and passed by the Board of Directors before the Company may sign the transaction contract and make payment:</p> <p>(1) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) When acquiring real property or right-of-use assets from a related party, information relevant to evaluating the reasonableness of the proposed transaction terms in accordance with subparagraphs</p>	

Amended Articles	Current Articles	Description:
<p>transaction counterparty.</p> <p>3. When acquiring real property or right-of-use assets from a related party, relevant information for evaluating the reasonableness of the proposed transaction terms in accordance with Paragraph 3.</p> <p>4. The original date and price of acquisition by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the company and the related party.</p> <p>5. A monthly cash flow forecast for the coming year beginning from the anticipated month of contract signing, evaluating the necessity of the transaction and the reasonableness of fund utilization.</p> <p>6. The appraisal report issued by a professional appraiser or the opinion of a certified public accountant obtained in accordance with Paragraph 1 of this Article.</p> <p>7. The restrictive conditions and other important stipulations of the current transaction.</p> <p>(2) The Company and its subsidiaries, or acquisitions or disposals of equipment or right-of-</p>	<p>(1) and (4) of paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or the opinion of a CPA obtained in compliance with paragraph 1 of this Article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><del>The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with subparagraph 5 of paragraph 1 of Article 15. Furthermore, "within one year" refers to the one year period preceding the date of occurrence of the current transaction, and items that have already been submitted to and approved by the shareholders' meeting, the board of directors, and the Audit Committee in accordance with these Procedures need</del></p>	

Amended Articles	Current Articles	Description:
<p>use assets for business use and real property right-of-use assets between subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital, may be approved by the Chairman of the Board within a certain limit as authorized by the Board of Directors, and subsequently submitted to the next Board meeting for ratification.</p> <p>When the Company or a subsidiary that is not a domestic public company engages in a transaction specified in Subparagraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in Subparagraph 1 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its subsidiaries, or transactions between subsidiaries, are exempt from this requirement.</p> <p>(3) The calculation of the transaction amounts in Subparagraphs 1 and 3 shall be made in accordance with Article 14, Paragraph 1, Subparagraph 7. The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, calculated retrospectively. Portions that have already been submitted to the shareholders' meeting, approved by the Board of Directors, and</p>	<p><del>not be counted toward the transaction amount.</del></p> <p>When the Company, its parent company, its subsidiaries, or its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or total capital acquire or dispose of equipment or right-of-use assets for business use, or right-of-use assets of real property, between one another, the board of directors may delegate the decision to the Chairman within a certain threshold, and have the decisions subsequently submitted to and ratified at the next board of directors meeting.</p> <p>When the Company or any of its subsidiaries that is not a domestic public company engages in a transaction listed in paragraph 2 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit the materials listed in the subparagraphs of paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its parent company, its subsidiaries, or between its subsidiaries are exempt from this requirement.</p> <p>When submitting matters for discussion by the board of directors pursuant to the preceding paragraph, the opinions of the independent directors shall be fully</p>	

Amended Articles	Current Articles	Description:
<p>agreed by the Audit Committee in accordance with these Procedures need not be counted again.</p> <p>(3) Assessment of the Reasonableness of Transaction Costs</p> <p>(1) When the Company acquires real property or right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods.</p> <p>1. Add necessary interest on funds and costs to be borne by the buyer according to law to the transaction price with the related party. The term "necessary interest cost" shall be calculated based on the weighted average interest rate of borrowings in the year the Company purchases the assets, provided that it does not exceed the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. If the related party has previously created a mortgage on the object with a financial institution, the total loan evaluation value of the financial institution for that object. However, the actual cumulative lending value of the financial institution for the object must reach at least 70% of the total loan evaluation value, and the lending period must have exceeded one year. However, this does not</p>	<p>taken into consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>(3) Assessment of the Reasonableness of Transaction Costs</p> <p>(1) When the Company acquires or disposes of assets with a related party, the reasonableness of the transaction costs shall be evaluated by the following methods.</p> <p>1. Add necessary interest on funds and costs to be borne by the buyer according to law to the transaction price with the related party. The term "necessary interest cost" shall be calculated based on the weighted average interest rate of borrowings in the year the Company purchases the assets, provided that it does not exceed the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. If the related party has previously created a mortgage on the object with a financial institution, the total loan evaluation value of the financial institution</p>	

Amended Articles	Current Articles	Description:
<p>apply when the financial institution is a related party to one of the trading parties.</p> <p>(2) When the land and buildings of the same target property are purchased or leased together, the transaction costs for the land and buildings may be evaluated separately using any of the methods listed in the preceding paragraph.</p> <p>(3) When the Company acquires real property or right-of-use assets from a related party, it shall assess the cost of the real property or right-of-use assets in accordance with paragraphs (1) and (2) above, and shall engage a CPA to review and express a specific opinion.</p> <p><u>(4) When the Company acquires real property or right-of-use assets from a related party, if any of the following circumstances exists, it shall proceed in accordance with paragraph 2 and the preceding three paragraphs shall not apply:</u></p> <p><u>1. The related party acquires the real property or right-of-use assets through inheritance or gift.</u></p> <p><u>2. The time when the related party contracted to acquire the real property or right-of-use assets is more than five years prior to the date of the current transaction.</u></p> <p><u>3. The real property is acquired through signing a</u></p>	<p>for that object. However, the actual cumulative lending value of the financial institution for the object must reach at least 70% of the total loan evaluation value, and the lending period must have exceeded one year. However, this does not apply when the financial institution is a related party to one of the trading parties.</p> <p>(2) When acquiring or leasing the same target of land and buildings, the transaction costs for the land and buildings may be evaluated separately by any of the methods listed in the preceding paragraph.</p> <p>(3) When the Company acquires real property or right-of-use assets from a related party, it shall evaluate the cost of the real property in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article, and shall also engage a CPA to review the evaluation and express a specific opinion.</p>	

Amended Articles	Current Articles	Description:
<p><u>joint construction contract with the related party, or through engaging the related party to build real property on the Company's own land or on leased land.</u></p> <p><u>4. The acquisition of the right-of-use assets for business use between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or total capital.</u></p> <p>(5) When the Company acquires real property or right-of-use assets from a related party and the results of assessments conducted in accordance with paragraphs (1) and (2) are both lower than the transaction price, the Company shall proceed in accordance with paragraph (6). However, this restriction shall not apply if the following circumstances exist, and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) Where the undeveloped land is appraised in accordance with the methods stated in the preceding</p>	<p>(4) When the Company acquires real property or right-of-use assets from a related party and the results of evaluations conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are both lower than the transaction price, the matter shall be handled in accordance with subparagraph 5 of paragraph 3 of this Article. However, this restriction does not apply if there is objective evidence and specific opinions on reasonableness from professional real property appraisers and CPAs under the following circumstances:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) Where the undeveloped land is appraised in accordance with the methods stated in the preceding Article, and the buildings are appraised according to the related party's construction cost plus reasonable construction profit, and the total value exceeds the actual transaction price. The term "reasonable</p>	

Amended Articles	Current Articles	Description:
<p>Article, and the buildings are appraised according to the related party's construction cost plus reasonable construction profit, and the total value exceeds the actual transaction price. The term "reasonable construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction division over the most recent three years or the latest gross profit margin for the construction industry published by the Ministry of Finance.</p> <p>(2) Transactions completed by unrelated parties within the past year involving other floors of the same property or neighboring properties of similar size where the transaction terms are deemed reasonable after evaluation based on reasonable floor or location price disparities in accordance with real property purchasing or leasing market practices.</p> <p>2. The Company provides evidence that the transaction terms for the acquisition of real property or right-of-use assets through leasing from a related party are comparable to those of transactions completed by unrelated parties in the neighboring area within the past year for properties of similar</p>	<p>construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction division over the most recent three years or the latest gross profit margin for the construction industry published by the Ministry of Finance.</p> <p>(2) Transactions completed by unrelated parties within the past year involving other floors of the same property or neighboring properties of similar size where the transaction terms are deemed reasonable after evaluation based on reasonable floor or location price disparities in accordance with real property purchasing or leasing market practices.</p> <p><del>(3) Where there have been cases of leases of other floors of the same property with non-related parties within the past year, and the terms of the transaction can be shown to be similar after reasonable adjustment for differences in floor levels in accordance with standard real property leasing market practices.</del></p> <p>2. The Company provides evidence that the transaction terms for the acquisition of real property or right-of-use assets through leasing from a related party are comparable to those of transactions completed by unrelated parties in the neighboring area within the past year for properties of similar</p>	

Amended Articles	Current Articles	Description:
<p>size. The aforementioned "transactions in neighboring areas" refers principally to transactions on the same or adjacent streets and within a radius of not more than 500 meters from the subject property, or properties with similar publicly announced values; the term "similar size" refers principally to transactions by unrelated parties for properties with areas not less than 50 percent of the area of the subject property; the term "within the past year" refers to the one-year period preceding the date of occurrence of the acquisition of the real property or right-of-use assets.</p> <p>(6) If the results of the Company's appraisal of the acquisition of real property or right-of-use assets from a related party conducted in accordance with subparagraphs (1) through (5) are all lower than the transaction price, the following steps shall be taken:</p> <p>1. The difference between the transaction price of the real property or right-of-use assets and the evaluated cost shall be set aside as a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distributed or used for capital increase and issuance of bonus shares. Investors who evaluate their investments in the Company using the equity method, if they are public companies, shall also set aside a special reserve under Paragraph 1, Article 41</p>	<p>refers principally to transactions on the same or adjacent streets and within a radius of not more than 500 meters from the subject property, or properties with similar publicly announced values; the term "similar size" refers principally to transactions by unrelated parties for properties with areas not less than 50 percent of the area of the subject property; the term "within the past year" refers to the one-year period preceding the date of occurrence of the acquisition of the real property or right-of-use assets.</p> <p>(5) When the Company acquires real property or right-of-use assets from a related party, if the results of evaluations conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are both lower than the transaction price, the following actions shall be taken:</p> <p>1. The Company shall set aside a special reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act for the difference between the real property or right-of-use asset transaction price and the appraised cost, and may not distribute or use it for capital increase and issuance of bonus shares. Investors who evaluate their investments in the Company using the equity method, if they are public companies, shall also set aside a special reserve under Paragraph 1, Article 41 of the Securities and Exchange Act in proportion to their</p>	

Amended Articles	Current Articles	Description:
<p>of the Securities and Exchange Act in proportion to their shareholding ratio.</p> <p>2. Independent Directors shall handle the matter in accordance with Article 218 of the Company Act.</p> <p>3. The handling of the matters mentioned in points 1 and 2 above shall be reported to the shareholders' meeting, and the detailed contents of the transaction shall be disclosed in the annual report and prospectus.</p> <p>(7) When the Company has set aside a special reserve under the provisions of the preceding subparagraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the lease has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p>	<p>shareholding ratio.</p> <p>2. Independent Directors shall handle the matter in accordance with Article 218 of the Company Act.</p> <p>3. The handling of items 1 and 2 of subparagraph 5 of paragraph 3 of this Article shall be reported to the shareholders' meeting, and the detailed content of the transaction shall be disclosed in the annual report and prospectus.</p> <p>If a public company that the Company has invested in and for which the Company uses the equity method of accounting has set aside a special reserve under the aforementioned provisions, the Company may not utilize such special reserve until the assets purchased or leased at a premium have recognized a loss due to decline in market value, or have been disposed of or the lease has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and approval has been obtained from the Financial Supervisory Commission.</p> <p><del>(6) When the Company acquires real property or right-of-use assets from a related party and one of the following circumstances exists, the transaction shall be conducted in accordance with the provisions regarding evaluation of the reasonableness of</del></p>	

Amended Articles	Current Articles	Description:
<p>(8) When the Company acquires real property or right-of-use assets from a related party, if there is other evidence indicating that the transaction is inconsistent with business practices, the Company shall also act in accordance with the provisions of subparagraphs (6) and (7).</p>	<p><del>transaction costs as stipulated in subparagraphs 1, 2, and 3 of paragraph 3 of this Article:</del></p> <p><del>1. The related party acquires the real property or right-of-use assets through inheritance or gift.</del></p> <p><del>2. The time when the related party contracted to acquire the real property or right-of-use assets is more than five years prior to the date of the current transaction.</del></p> <p><del>3. Acquiring real property by signing a joint construction contract with a related party.</del></p> <p>(7) When the Company acquires real property or right-of-use assets from a related party, if there is other evidence indicating that the transaction is not in line with business practice, the Company shall also proceed in accordance with the provisions of subparagraph 5 of paragraph 3 of this Article.</p>	
<p><b>Article 12: Procedures for Engaging in Derivative Transactions</b></p> <p>(omitted)</p> <p>(3) Division of Responsibilities</p> <p>1. The trading personnel and confirmation, settlement personnel for derivatives in the Finance Department must be appointed by the Chief</p>	<p><b>Article 13: Procedures for Handling Derivative Transactions</b></p> <p>(omitted)</p> <p>(3) Division of Responsibilities</p> <p>1. <del>Finance Department</del></p> <p><del>(1) Capture market information, assess trends and risks, familiarize with financial products and their</del></p>	<p>1. Amend the article numbers, numbering, and textual descriptions.</p> <p>2. According to Article 20 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the division of responsibilities for derivative product transactions has been revised, with the addition of Points 1 and 2 under Item</p>

Amended Articles	Current Articles	Description:
<p>Financial Officer, and they may not concurrently hold both positions.</p> <p><u>2. The President's Office is responsible for measuring, supervising, and controlling transaction risks, and shall report to the Board of Directors or senior executives who are not responsible for trading or position decisions.</u></p> <p>3. Major derivative transactions shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.</p> <p><u>4. Authorized Limits and Levels:</u></p> <p>(1) The authorized limits for hedging transactions are as follows: (omitted)</p> <p>(2) Other specific purpose transactions may only be conducted after being submitted to and approved by the Board of Directors.</p>	<p><del>related regulations and operational techniques, and engage in transactions according to the instructions and authorization of responsible supervisors to hedge against market price fluctuation risks.</del></p> <p><del>(2) Conduct regular evaluations.</del></p> <p><del>(3) Provide information on risk exposure positions.</del></p> <p><del>(4) Measurement, supervision, and control of transaction risks.</del></p> <p>(5) Make declarations and announcements in accordance with the regulations of the Securities and Exchange Act.</p> <p><del>2. Accounting Department</del></p> <p><del>(1) Responsible for transaction confirmation, settlement, and entry of details.</del></p> <p><del>(2) Record transactions and prepare financial statements according to generally accepted accounting principles.</del></p> <p>3. Authorization Limits and Levels for Derivative Products:</p> <p><del>A. Hedging Transactions: (omitted)</del></p> <p>B. Other specific purpose transactions can only be conducted after being submitted to and approved by</p>	<p>(3).</p> <p>3. According to the "Audit Committee Charter," major asset or derivative product transactions should be approved by the Audit Committee and submitted to the Board of Directors for resolution, with the addition of Point 3 under Item (3).</p>

Amended Articles	Current Articles	Description:
<p>(4) Performance Assessment</p> <p><u>1. Hedging Transactions</u></p> <p>(1) The basis for performance assessment is the profit and loss generated between the exchange rate cost on the Company's books and the derivative financial transactions.</p> <p>(2) In order to fully grasp and express the valuation risk of transactions, the Company adopts a monthly settlement evaluation method to assess profit and loss.</p> <p>(3) The Finance Department should provide foreign exchange position valuation, foreign exchange market trends, and market analysis to the President</p>	<p>the Board of Directors.</p> <p><del>C. When the Company acquires or disposes of assets that require approval from the Board of Directors according to the prescribed handling procedures or other legal regulations, the opinions of each independent director shall be fully considered, and their consent or objection, along with the reasons, shall be recorded in the meeting minutes.</del></p> <p><del>4. Audit Department</del></p> <p><del>Responsible for understanding the adequacy of internal controls for derivative product transactions and checking the trading department's compliance with operational procedures, as well as analyzing transaction cycles, preparing audit reports, and reporting to the Board of Directors when significant deficiencies are found.</del></p> <p><del>5. Performance Evaluation</del></p> <p><del>(1) Hedging Transactions</del></p> <p>A. The performance evaluation is based on the profit and loss generated between the exchange rate cost on the Company's books and the derivative financial transactions undertaken.</p> <p>B. In order to fully grasp and express the valuation risks of transactions, the Company adopts a monthly settlement evaluation method to assess profits and</p>	

Amended Articles	Current Articles	Description:
<p>as management reference and for instructions.</p> <p><u>2.</u> Specific Purpose Transactions</p> <p>The actual profit and loss generated serves as the basis for performance assessment, and accounting personnel must regularly prepare position reports to provide reference for management.</p> <p>(5) Determination of Total Contract Amount and Maximum Loss Limit</p> <p><u>1.</u> Total Contract Amount</p> <p><u>(1)</u> Hedging Transaction Limit</p> <p>The Finance Department should manage the company's overall position to mitigate transaction risks. The amount for hedging transactions should not exceed two-thirds of the company's overall net position. If it exceeds two-thirds, it should be reported to the Chairman for approval.</p> <p><u>(2)</u> Specific Purpose Transactions</p> <p>Based on forecasts of market changes, the Finance Department may formulate strategies as needed, which can only be implemented after approval by the President and Chairman. The total contract amount of the company's specific purpose transactions' net accumulated position shall not exceed two percent of the paid-in capital. Any amount exceeding the above limit requires the approval of the Board of Directors</p>	<p>losses.</p> <p>C. The Finance Department should provide foreign exchange position valuation, foreign exchange market trends, and market analysis to the President as a reference for management and guidance.</p> <p><del>(2)</del> Specific Purpose Transactions</p> <p>The actual profit and loss generated serves as the basis for performance assessment, and accounting personnel must regularly prepare position reports to provide reference for management.</p> <p>6. Determination of Total Contract Amount and Maximum Loss Limit</p> <p><del>(1)</del> Total Contract Amount</p> <p><del>A. Hedging Transaction Limit</del></p> <p>The Finance Department should manage the company's overall position to mitigate transaction risks. The amount for hedging transactions should not exceed two-thirds of the company's overall net position. If it exceeds two-thirds, it should be reported to the Chairman for approval.</p> <p><del>B. Specific Purpose Transactions</del></p> <p>Based on forecasts of market changes, the Finance Department may formulate strategies as needed, which can only be implemented after approval by the</p>	

Amended Articles	Current Articles	Description:
<p>and can only be executed according to policy directives.</p> <p>2. Setting the Maximum Loss Limit for All and Individual Contracts</p> <p>When losses from derivative transactions reach five percent of an individual contract amount or when total contract losses reach one percent of the paid-in capital, settlement should be executed immediately.</p> <p>2. Risk Management Measures</p> <p>(omitted below)</p> <p>III. Internal Audit</p> <p>Internal audit personnel should regularly understand the appropriateness of internal controls for derivative product transactions, and monthly check the trading department's compliance with the procedures for derivative product transactions and analyze the transaction cycle, to prepare an audit report. If any major violation is discovered, the Audit Committee should be notified in writing.</p>	<p>President and Chairman. The total contract amount of the company's specific purpose transactions' net accumulated position shall not exceed two percent of the paid-in capital. Any amount exceeding the above limit requires the approval of the Board of Directors and can only be executed according to policy directives.</p> <p>2. Setting the Maximum Loss Limit for All and Individual Contracts</p> <p>When losses from derivative transactions reach five percent of an individual contract amount or when total contract losses reach one percent of the paid-in capital, settlement should be executed immediately.</p> <p>2. Risk Management Measures</p> <p>(omitted below)</p> <p>3. Internal Audit System</p> <p>(1) Internal auditors should regularly understand the adequacy of internal controls for derivative product transactions, and conduct monthly checks on the trading department's compliance with the procedures for derivative product transactions, analyze</p>	

Amended Articles	Current Articles	Description:
<p>IV. Regular Evaluation Methods (omitted)</p> <p>5. Principles of Board Supervision and Management for Derivative Transactions</p> <p>(I) The Board of Directors should designate senior executives to constantly monitor and control the risks of derivative transactions. Their management principles are as follows:</p> <p>1. Regularly evaluate whether the current risk management measures are appropriate and ensure that derivative transactions are conducted in accordance with these guidelines and the company's derivative trading procedures.</p> <p>2. Monitor transactions and loss situations. When abnormal circumstances are discovered, necessary countermeasures should be taken and immediately reported to the Board of Directors. If the company has established independent directors, independent directors should be present at the Board meeting and express their opinions.</p> <p>(2) Regularly evaluate whether the performance of derivative transactions complies with the established business strategy and whether the risks assumed are within the company's acceptable range.</p>	<p>transaction cycles, and prepare audit reports. If significant violations are discovered, independent directors should be notified in writing.</p> <p><del>(2) In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the audit reports mentioned in the preceding paragraph and the improvement status of abnormal matters shall be reported to the competent authority for reference in the prescribed manner and time.</del></p> <p>IV. Regular Evaluation Methods (omitted)</p> <p>5. Principles of Board Supervision and Management for Derivative Transactions</p> <p>(I) The Board of Directors should designate senior executives to constantly monitor and control the risks of derivative transactions. Their management principles are as follows:</p> <p>1. Regularly evaluate whether the current risk management measures are appropriate and ensure that they are handled in accordance with these guidelines and the company's established procedures for engaging in derivative product transactions.</p> <p>2. Supervise trading and loss situations. When abnormal situations are discovered, necessary</p>	

Amended Articles	Current Articles	Description:
<p>(III) When engaging in derivative transactions, relevant personnel authorized according to the established derivative transaction procedures should report to the Board of Directors afterward.</p> <p>(IV) When engaging in derivative transactions, a log book should be established to record details of the types of derivative transactions, amounts, Board approval dates, and matters requiring regular and careful evaluation as specified in Point 1 of Item (I) and Item (II). These details should be thoroughly documented in the log book for reference.</p>	<p>countermeasures should be taken and immediately reported to the Board of Directors. If the company has appointed independent directors, independent directors should be present at the Board meeting and express their opinions.</p> <p>(2) Regularly evaluate whether the performance of derivative transactions complies with the established business strategy and whether the risks assumed are within the company's acceptable range.</p> <p>(3) When the company engages in derivative product transactions, relevant personnel authorized according to the established procedures for derivative product transactions should report to the Board of Directors afterward.</p> <p>(4) When the company engages in derivative product transactions, it should establish a reference book to record in detail the types of derivative product transactions, amounts, dates of Board approval, and matters that should be carefully evaluated according to Item 4, Subparagraph (2) and Item 5, Subparagraphs (1) and (2) of this Article for future reference.</p>	
<p><b>Article 13: Procedures for Merger, Demerger, Acquisition, or Transfer of Shares</b></p> <p>1. Evaluation and Operating Procedures</p>	<p><b>Article 14: Procedures for Handling Mergers, Demergers, Acquisitions, or Share Transfers</b></p> <p>1. Evaluation and Operating Procedures</p>	<p>1. Amend the article numbers, numbering, and textual descriptions.</p>

Amended Articles	Current Articles	Description:
<p>(1) When the company conducts a merger, demerger, acquisition, or transfer of shares, it should engage accountants, lawyers, or securities underwriters to express opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders, and submit these opinions to the Board of Directors for discussion and approval. <u>However, in the case of a merger between subsidiaries in which the company directly or indirectly holds 100% of the issued shares or total capital, or a merger between subsidiaries in which the company directly or indirectly holds 100% of the issued shares or total capital, the aforementioned expert opinions on reasonableness may be exempted.</u></p> <p>(2) The company shall prepare public documents for shareholders detailing the important terms of the merger, demerger, or acquisition and related matters before the shareholders' meeting, and deliver these documents to the shareholders along with the expert opinions mentioned in Item (1) and the notice of the shareholders' meeting, to serve as reference for whether to approve the merger, demerger, or acquisition. However, this requirement does not apply when, according to other laws, the shareholders' meeting is not required to resolve on matters of merger, demerger, or acquisition.</p>	<p>(1) When the Company proceeds with a merger, demerger, acquisition, or share transfer, it is advisable to engage lawyers, accountants, and underwriters to jointly develop a statutory process timeline and form a project team to execute the process according to legal procedures. Before convening a board meeting for resolution, the Company shall engage accountants, lawyers, or securities underwriters to provide opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders, and submit these opinions to the board of directors for discussion and approval.</p> <p>(2) The Company shall prepare public documents for shareholders containing the important terms and related matters of the merger, demerger, or acquisition before the shareholders' meeting, and deliver these documents to shareholders together with the expert opinions mentioned in the preceding paragraph and the notice of the shareholders' meeting, to serve as reference for deciding whether to approve the merger, demerger, or acquisition. However, this requirement does not apply when, according to other laws, the shareholders' meeting is not required to resolve on matters of merger, demerger, or acquisition. Furthermore, if any shareholders' meeting of the companies participating in the merger, demerger, or acquisition cannot be convened, fails to pass a</p>	

Amended Articles	Current Articles	Description:
<p>Furthermore, if any shareholders' meeting of the companies participating in the merger, demerger, or acquisition cannot be convened, fails to pass a resolution due to lack of a quorum, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public announcement explaining the reason for the occurrence, subsequent handling operations, and the expected date for convening a shareholders' meeting.</p> <p>2. Other Matters Requiring Attention</p> <p>(1) Board Meeting Date:</p> <p>1. Companies participating in a merger, demerger, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters related to the merger, demerger, or acquisition, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Commission in advance.</p> <p>2. Companies participating in a share transfer shall convene their board meetings on the same day, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Commission in advance.</p> <p>(2) Companies listed on the stock exchange or whose</p>	<p>resolution due to lack of a quorum, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public announcement explaining the reason for the occurrence, subsequent handling operations, and the expected date for convening a shareholders' meeting.</p> <p>2. Other Matters Requiring Attention</p> <p>(1) Board Meeting Date: Companies participating in a merger, demerger, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters related to the merger, demerger, or acquisition, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Financial Supervisory Commission in advance.</p> <p>Companies participating in a share transfer shall convene their board meetings on the same day, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Financial Supervisory Commission in advance.</p>	

Amended Articles	Current Articles	Description:
<p>shares are traded at securities firms' business premises that participate in a merger, demerger, acquisition, or share transfer shall prepare complete written records of the following information and retain them for five years for reference and checking:</p> <p>1. Basic personnel information: Including all individuals involved in the merger, demerger, acquisition, or share transfer plan or the execution of the plan before the information becomes public, including their job titles, names, and national ID numbers (or passport numbers for foreigners).</p> <p>2. Important dates: Including the dates of signing letters of intent or memoranda, engaging financial or legal advisors, signing contracts, and holding board meetings.</p> <p>3. Important documents and minutes: Including the merger, demerger, acquisition, or share transfer plan, letters of intent or memoranda, important contracts, and minutes of board meetings.</p> <p>(3) Companies listed on the stock exchange or whose shares are traded at securities firms' business premises that participate in a merger, demerger, acquisition, or share transfer shall, within two days from the date of the board's resolution, report the information in points 1 and 2 of paragraph (2) to the competent authority for reference via the Internet</p>	<p>When participating in a merger, demerger, acquisition, or share transfer, the Company, as a listed company or a company whose shares are traded at securities firms' business premises, shall prepare complete written records of the following information and retain them for five years for checking:</p> <p>1. Basic personnel information: Including all individuals involved in the merger, demerger, acquisition, or share transfer plan or the execution of the plan before the information becomes public, including their job titles, names, and national ID numbers (or passport numbers for foreigners).</p> <p>2. Important dates: Including the dates of signing letters of intent or memoranda, engaging financial or legal advisors, signing contracts, and holding board meetings.</p> <p>3. Important documents and meeting minutes: Including merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda, important contracts, and board meeting minutes.</p> <p>When participating in a merger, demerger, acquisition, or share transfer, the Company, as a listed company or a company whose shares are traded at securities firms' business premises, shall, within two days from the date of the board resolution, report the information in</p>	

Amended Articles	Current Articles	Description:
<p>information system in the prescribed format.</p> <p>(4) If any company participating in a merger, demerger, acquisition, or share transfer is not listed on the stock exchange or has shares that are not traded at securities firms' business premises, our company (being a company whose shares are traded at securities firms' business premises) shall sign an agreement with such company and proceed in accordance with the provisions of paragraphs (2) and (3).</p> <p>(5) Prior confidentiality commitment: All persons participating in or knowing about the company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment, ensuring that they will not disclose the contents of the plan before the information is made public, and will not trade, either in their own name or using others' names, in the stocks or other equity securities of any companies related to the merger, demerger, acquisition, or share transfer.</p> <p>(6) Principles for determining and changing the share exchange ratio or acquisition price:</p> <p>When participating in a merger, demerger, acquisition, or share transfer, the share exchange ratio or acquisition price shall not be arbitrarily</p>	<p>subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission of the Executive Yuan for reference in the prescribed format through the Internet information system.</p> <p>If any of the companies participating in a merger, demerger, acquisition, or share transfer is not a listed company or a company whose shares are traded at securities firms' business premises, the Company, being a listed company or a company whose shares are traded at securities firms' business premises, shall sign an agreement with such company and handle the matter in accordance with the provisions of paragraphs 3 and 4.</p> <p>(2) Prior confidentiality commitment: All persons participating in or knowing about the company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment, ensuring that they will not disclose the contents of the plan before the information is made public, and will not trade, either in their own name or using others' names, in the stocks or other equity securities of any companies related to the merger, demerger, acquisition, or share transfer.</p> <p>(3) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price: Companies participating in a merger, demerger,</p>	

Amended Articles	Current Articles	Description:
<p>changed except in the following circumstances, and the situations where changes are permitted shall be stipulated in the merger, demerger, acquisition, or share transfer contract:</p> <ol style="list-style-type: none"> <li>1. Carrying out cash capital increase, issuing convertible corporate bonds, distributing stock dividends, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.</li> <li>2. Actions affecting the company's financial and business operations, such as the disposal of major company assets.</li> <li>3. Occurrence of major disasters, significant technological changes, or other events affecting shareholders' equity or securities prices.</li> <li>4. Adjustments due to the legal repurchase of treasury shares by any party participating in the merger, demerger, acquisition, or share transfer.</li> <li>5. Changes in the number of entities or subjects participating in the merger, demerger, acquisition, or share transfer.</li> </ol>	<p>acquisition, or share transfer shall, prior to their respective board meetings, engage accountants, lawyers, or securities underwriters to express opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders, and submit these opinions to the shareholders' meeting. In principle, the share exchange ratio or acquisition price shall not be arbitrarily changed, except where conditions for change have been stipulated in the contract and publicly disclosed. Conditions under which the share exchange ratio or acquisition price may be changed are as follows:</p> <ol style="list-style-type: none"> <li>1. Carrying out cash capital increase, issuing convertible corporate bonds, distributing stock dividends, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.</li> <li>2. Actions affecting the company's financial and business operations, such as the disposal of major company assets.</li> <li>3. Occurrence of major disasters, significant technological changes, or other events affecting shareholders' equity or securities prices.</li> <li>4. Adjustments due to the legal repurchase of treasury shares by any party participating in the merger,</li> </ol>	

Amended Articles	Current Articles	Description:
<p>6. Other conditions stipulated in the contract that allow for changes and have been publicly disclosed.</p> <p>7. Participation in a merger, demerger, acquisition, or share transfer requires a contract that specifies the rights and obligations of the companies involved. In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract should also include the following items:</p> <ol style="list-style-type: none"> <li>1. Handling of breaches of contract.</li> <li>2. Principles for handling equity securities previously issued or treasury shares repurchased by companies that will be dissolved in a merger or split in a demerger.</li> <li>3. The quantity of treasury shares that participating companies may legally repurchase after the base date for calculating the share exchange ratio, and the principles for handling such shares.</li> <li>4. Methods for handling changes in the number of participating entities or subjects.</li> <li>5. Expected plan implementation progress and completion schedule.</li> <li>6. The predetermined date for convening a shareholders' meeting and related procedures in accordance with the law if the plan is not completed</li> </ol>	<p>demerger, acquisition, or share transfer.</p> <p>5. Changes in the number of entities or subjects participating in the merger, demerger, acquisition, or share transfer.</p> <p>6. Other conditions stipulated in the contract that allow for changes and have been publicly disclosed.</p> <p>(4) Contract Content Requirements: The contract for merger, demerger, acquisition, or share transfer shall, in addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, also specify the following matters:</p> <ol style="list-style-type: none"> <li>1. Handling of breaches of contract.</li> <li>2. Principles for handling equity securities previously issued or treasury shares repurchased by companies that will be dissolved in a merger or split in a demerger.</li> <li>3. The number of treasury shares that the participating companies may legally buy back after the base date for calculating the share exchange ratio and the principles for handling them.</li> <li>4. The handling method for any increase or decrease in the number of participating entities or participants.</li> <li>5. The expected implementation schedule and</li> </ol>	

Amended Articles	Current Articles	Description:
<p>by the deadline.</p> <p>(8) Changes in the number of companies participating in a merger, demerger, acquisition, or share transfer:</p> <p>After information has been publicly disclosed, if any company participating in a merger, demerger, acquisition, or share transfer intends to engage in another merger, demerger, acquisition, or share transfer with other companies, all procedures or legal actions already completed in the original merger, demerger, acquisition, or share transfer must be conducted again by all participating companies, unless the number of participating companies decreases and the shareholders' meeting has already passed a resolution authorizing the board of directors to make changes, in which case the participating companies may be exempted from convening another shareholders' meeting for a new resolution.</p> <p>(9) If any company participating in a merger, demerger, acquisition, or share transfer is not a public company, the Company shall sign an agreement with it and handle matters in accordance with the provisions in items (1) to (5) and item (8).</p>	<p>completion date of the plan.</p> <p>6. If the plan is not completed by the deadline, the procedures related to the scheduled date for convening the shareholders' meeting as required by law.</p> <p>(5) Changes in the Number of Companies Participating in Merger, Demerger, Acquisition, or Share Transfer: After information has been publicly disclosed, if any company participating in a merger, demerger, acquisition, or share transfer intends to further engage in a merger, demerger, acquisition, or share transfer with another company, unless the number of participants decreases and the shareholders' meeting has resolved and authorized the board of directors to make changes, all participating companies shall repeat the procedures or legal actions already completed in the original merger, demerger, acquisition, or share transfer case.</p> <p>(6) If a company participating in a merger, demerger, acquisition, or share transfer is not a public company, the Company shall enter into an agreement with it and comply with the provisions regarding the date of the board meeting as specified in subparagraph (1) of</p>	

Amended Articles	Current Articles	Description:
	<p>paragraph 2 of this Article, the confidentiality commitment prior to disclosure as specified in subparagraph (2), and the regulations on changes in the number of companies participating in the merger, demerger, acquisition, or share transfer as specified in subparagraph (5).</p>	
<p><b>Article 14: Announcement and Reporting Procedures</b></p> <p>1. When the Company acquires or disposes of assets in any of the following circumstances, it shall, according to the nature of the transaction and in the prescribed format, publicly announce and report the relevant information on the website designated by the competent authority within two days from the date of the occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements.</p> <p>(2) Engaging in a merger, demerger, acquisition, or</p>	<p><b>Article 15: Information Disclosure Procedures</b></p> <p>1. Items Required for Public Announcement and Reporting Standards</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements.</p> <p>(2) Engaging in a merger, demerger, acquisition, or share transfer.</p>	<p>1. Revised article number, title, and text description.</p>

Amended Articles	Current Articles	Description:
<p>share transfer.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Acquisition or disposal of equipment or right-of-use assets for business use, where the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p><u>(5) Acquisition of real property under an arrangement of engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the trading counterparty is not a related party, and the transaction amount that the Company expects to invest reaches NT\$500 million or more.</u></p> <p>(6) Asset transactions or investments in mainland China other than those referred to in the preceding five subparagraphs, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded:</p>	<p>(3) Losses from derivatives trading reaching the maximum loss limit for all or individual contracts as specified in the handling procedures.</p> <p>(4) Asset transactions, disposal of receivables by financial institutions, or investments in Mainland China other than those mentioned in the preceding three subparagraphs where the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded:</p> <ol style="list-style-type: none"> <li>1. Trading of government bonds.</li> <li>2. Securities trading by investment professionals on domestic or foreign securities exchanges or over-the-counter markets.</li> <li>3. Trading of bonds with repurchase or resale agreements.</li> </ol>	

Amended Articles	Current Articles	Description:
<p>1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</p> <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(7) The calculation of the transaction amounts referred to in the preceding six subparagraphs is conducted as follows, and the term "within one year" refers to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with regulations need not</p>	<p><del>4. Acquisition or disposal of equipment or right of use assets thereof held for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</del></p> <p><del>5. Where the Company engages in construction business, acquires or disposes of real estate or right of use assets thereof held for construction use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</del></p> <p><del>6. Acquisition of real estate through self-construction on owned land, self-construction on leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</del></p> <p>(5) The calculation of transaction amounts referred to in the preceding Paragraph 4 is conducted as follows, and "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, based on amounts already publicly announced and need not be entered again.</p> <p>1. The amount of each transaction.</p> <p>2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with</p>	



Amended Articles	Current Articles	Description:
<p>companies' derivative transactions as of the end of the previous month in the prescribed format to the information reporting website designated by the competent authority.</p> <p>3. When the Company's required announcement items contain errors or omissions that need to be corrected, the Company shall re-announce and report all items within two days from the date of becoming aware of the error or omission.</p> <p>4. After the Company has announced and reported a transaction in accordance with regulations, if any of the following circumstances occur, the Company shall publicly announce and report the relevant information on the website designated by the competent authority within two days from the date of the occurrence:</p> <p>(1) The relevant contract originally signed for the transaction has been changed, terminated, or dissolved.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed according to the scheduled date set in the contract.</p>	<p>engaged in by the Company and its subsidiaries that are not domestic public companies up to the end of the previous month into the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission, in the prescribed format.</p> <p>(3) When the Company is required to make a public announcement on designated items and there are errors or omissions in the announcement that need to be corrected, all items shall be publicly announced and reported again.</p> <p><del>(4) When the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and opinions from certified public accountants, attorneys, or securities underwriters at the Company. Unless otherwise provided by law, these documents shall be retained for at least five years.</del></p> <p>(5) After the Company publicly announces and reports a transaction in accordance with the preceding Article, if any of the following circumstances occurs, the Company shall publicly announce and report the relevant information on the website designated by the Securities and Futures Bureau of the Financial Supervisory Commission within two days counting from the date of occurrence of the event:</p>	

Amended Articles	Current Articles	Description:
<p>(3) The content of the original announcement and report has changed.</p> <p>5. <u>The Company shall keep relevant contracts, meeting minutes, reference books, appraisal reports, and opinions from accountants, lawyers, or securities underwriters related to the acquisition or disposal of assets at the Company. Unless otherwise provided by other laws, these documents shall be kept for at least five years.</u></p>	<p>1. The original transaction's related contract has been changed, terminated, or dissolved.</p> <p>2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date specified in the contract.</p> <p>3. The content of the original public announcement and report has changed.</p>	
<p><b>Article 15: Control Procedures for Subsidiaries' Acquisition or Disposal of Assets</b></p> <p>1. The Company's subsidiaries shall establish "Procedures for Acquisition or Disposal of Assets". And shall regularly provide relevant information to <u>the Company for verification.</u></p> <p>2. For subsidiaries that are not public companies, if their acquisition or disposal of assets reaches the threshold requiring public announcement and reporting as stipulated in Article 14 of these Procedures, the parent company (the Company) shall handle the public announcement and reporting on behalf of such subsidiaries.</p> <p>3. In the public announcement and reporting standards for subsidiaries, the phrase "reaching 20% of the company's paid-in capital or 10% of total</p>	<p><b>Article 16: The Company's subsidiaries shall comply with the following provisions:</b></p> <p>1. Subsidiaries shall also establish "Procedures for Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p> <p>2. For subsidiaries that are not public companies, if their acquisition or disposal of assets reaches the threshold requiring public announcement and reporting as stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the parent company shall also handle the public announcement and reporting on behalf of such subsidiaries.</p> <p>3. In the public announcement and reporting standards</p>	<p>1. Revised article number, title, and text description.</p>

Amended Articles	Current Articles	Description:
assets" shall be based on the paid-in capital or total assets of the parent company (the Company).	for subsidiaries, the phrase "reaching 20% of the company's paid-in capital or 10% of total assets" shall be based on the paid-in capital or total assets of the parent company (the Company).	
<b>Article 16: Penalties</b> The Company's managers and personnel in charge of handling matters related to the acquisition or disposal of assets, if they violate laws, regulations, or the provisions of these Procedures, shall be subject to penalties according to the severity of the circumstances in accordance with the Company's personnel management regulations.	<b>Article 16: Penalties</b> The Company's employees who handle the acquisition and disposal of assets in violation of these Procedures shall be regularly reported for evaluation in accordance with the Company's personnel management regulations and employee handbook, and shall be penalized according to the severity of the circumstances.	1. Amended article number and text description.
<b>Article 17: Implementation and Amendments</b> These Procedures shall be approved by more than one-half of all Audit Committee members, submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval after being passed by the Board of Directors. If any director expresses objection and it is recorded or stated in writing, the Company shall submit the objection to the Audit Committee and report it to the shareholders' meeting for discussion. The same applies when making amendments. If the preceding paragraph is not approved by more	<del><b>Article 18: Implementation and Amendments</b></del> The Company's "Procedures for Acquisition or Disposal of Assets" shall be approved by more than one-half of all Audit Committee members, and then submitted to the Board of Directors for resolution before being submitted to the shareholders' meeting for approval. The same applies when making amendments. If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit	1. Amended article number and text description. 2. Amended in accordance with Article 8 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

Amended Articles	Current Articles	Description:
<p>than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p> <p><u>The "all Audit Committee members" in the preceding two paragraphs and the "all directors" in the preceding paragraph refer to those who are actually in office.</u></p>	<p>Committee shall be recorded in the minutes of the Board meeting.</p>	
(Removed)	<p><b>Article 19: Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the Company's relevant policies.</b></p>	<p><b>1.</b> Delete the current provision and amend to Article 1.</p>

**【Attachment 9】**

**United Orthopedic Corporation**

**Procedures for Lending Funds to Other Parties Comparison Table of Amended Articles**

<b>Amended Articles</b>	<b>Current Provisions</b>	<b>Description:</b>
<b>Article 1: Purpose</b> <p>When the Company lends funds to others, it shall comply with the provisions of these Procedures. If there are matters not covered in these Procedures, they shall be handled in accordance with relevant laws and regulations.</p>	<b>Article 1: Purpose and Legal Basis</b> <p>In accordance with actual operational needs, when the Company needs to lend funds to other companies (hereinafter referred to as "borrowers"), it must comply with these Procedures. These Procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued on December 18, 2002, under document number Taiwan-Finance-Securities-VI-0910161919. If there are matters not covered in these Procedures, they shall be handled in accordance with relevant laws and regulations.</p>	<p><b>2.</b> The current provisions delete the text describing the legal basis.  <b>3.</b> The text description is revised.</p>
<b>Article 2: Eligible Borrowers and Evaluation Standards</b> <p>1. The eligible borrowers for the Company's lending of funds shall be limited to:  (1) Companies that have business relationships with the Company. The term "business</p>	<b>Article 2: Eligible Borrowers and Evaluation Standards</b> <p>According to the Company Act, the Company's funds shall not be lent to shareholders or any other person except in the following circumstances:  (1) Companies or firms that have business relationships with the Company; the</p>	<p><b>4.</b> The current provision deletes the text regarding legal basis.  <b>5.</b> The current provision deletes the term "firm" (not applicable).  <b>6.</b> As the operating cycle is shorter than one year, the term "short-term" in the amended provision refers to a period of one year.</p>

Amended Articles	Current Provisions	Description:
<p>relationship" refers to entities that have purchasing or sales activities with the Company.</p> <p>(2) Companies with a short-term financing need. The term "short-term" refers to a period of one year.</p> <p>2. Evaluation standards:</p> <p><u>(1) When the Company lends funds to companies with which it has business relationships, such lending shall be limited to the company's operational turnover needs.</u></p> <p><u>(2) For companies requiring short-term financing, lending shall be limited to companies in which the Company holds 20% or more of shares.</u></p>	<p>aforementioned "business relationships" refers to entities that engage in purchasing or sales activities with the Company.</p> <p>(2) Companies or firms that have a need for short-term financing; this is limited to companies or firms in which the Company holds 20% or more shares and which have a need for short-term financing due to business requirements. The aforementioned "short-term" refers to a period of one year or one operating cycle (whichever is longer), according to the interpretation of the Ministry of Economic Affairs. <del>The financing amount refers to the accumulated balance of the Company's short-term financing funds.</del></p>	<p>7. The numbering method and text description have been amended.</p>
<p><b>Article 3: Total Amount of Fund Lending and Limit for Individual Borrowers</b></p> <p>1. The total amount of the Company's fund lending shall not exceed thirty percent of the Company's paid-in capital. <u>Moreover, the accumulated balance of short-term financing shall not exceed forty percent of the Company's net worth.</u></p> <p>2. For companies that have business relations with the Company, the amount of lending to individual borrowers shall not exceed the amount of business transactions between the two parties in the most</p>	<p><b>Article 3: Total Amount of Fund Lending and Limit for Individual Borrowers</b></p> <p>The total financing amount shall not exceed 30% of the lending enterprise's paid-in capital, and can be further divided into the following two situations.</p> <p>(1) For lending funds to companies or firms with which the Company has business relations, the total lending amount shall not exceed 30% of the Company's paid-in capital; the individual lending amount shall not exceed the amount of business transactions between the two parties in the most</p>	<p>1. According to Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," "where a company or a firm has a necessary requirement for short-term financing between companies or firms. The financing amount shall not exceed 40 percent of the lending enterprise's net worth. The amended provision adds the first subparagraph.</p> <p>2. The current provision deletes "firms" (not applicable)</p>

Amended Articles	Current Provisions	Description:
<p>recent year, and the total lending amount shall not exceed thirty percent of the Company's paid-in capital.</p> <p>The term "business transaction amount" refers to the higher of the purchase or sales amount between the two parties.</p> <p>3. For companies that have necessary short-term financing requirements, the amount of lending to individual borrowers shall not exceed NT\$1 million, and the total lending amount shall not exceed one percent of the Company's paid-in capital.</p> <p><u>When the Company prepares its financial reports in accordance with International Financial Reporting Standards, the term "net worth" in these Operating Procedures refers to the equity attributable to the owners of the parent company in the balance sheet as stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>recent year. The term "business transaction amount" refers to the higher of the purchase or sales amount between the two parties.</p> <p>(2) For lending funds to companies or firms that have necessary short-term financing requirements, the total lending amount shall not exceed 1% of the Company's paid-in capital; the individual lending amount shall not exceed NT\$1 million.</p> <p><del>When lending funds to others, the opinions of each independent director should be fully considered. If an independent director expresses any objection or reservation, it shall be recorded in the minutes of the board meeting.</del></p> <p><del>Where an Audit Committee has been established, the formulation or amendment of the operating procedures for lending funds to others shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for resolution, and the provisions of paragraph 2 shall not apply.</del></p> <p><del>If the preceding paragraph is not approved by more than one half of all Audit Committee members, it may be implemented with the approval of more than two thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</del></p>	<p>3. The current provision's second paragraph is amended to Article 5, Paragraph 3, Item (5).</p> <p>4. The current provision's third paragraph duplicates the content of Article 11, so it is amended and deleted.</p> <p>5. The current provision of Article 5, Item (7) states "The term 'net worth' as used herein refers to equity attributable to the owners of the parent company in the balance sheet as stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Amended to the second paragraph of this Article.</p> <p>6. The numbering method and text description have been amended.</p>

Amended Articles	Current Provisions	Description:
	The terms "all Audit Committee members" as used in paragraph 4 and "all directors" as used in the preceding paragraph shall be calculated based on the actual number of persons currently holding those positions.	
<p><b>Article 4: Lending Period and Interest Calculation Method</b></p> <p>Lending Period and Interest Calculation Method</p> <p>1. The principle is that each loan shall not exceed one year from the date of lending. However, for companies with business relationships that have operational turnover needs, the lending period may be extended with the approval of the Board of Directors.</p> <p>2. The lending interest rate shall not be lower than the highest interest rate at which the Company borrows short-term loans from financial institutions. However, adjustments may be made with the approval of the Board of Directors.</p> <p>3. Unless otherwise specifically stipulated, the principle is that interest on loans shall be calculated and collected monthly, and the borrower shall be notified one week before the agreed interest payment date to pay the interest on time.</p>	<p><b>Article 4: Lending Period and Interest Calculation Method</b></p> <p>Lending Period and Interest Calculation Method</p> <p>(1) The principle is that each loan shall not exceed one year from the date of lending. However, for companies or firms with business relationships that have operational needs, the lending period may be extended according to actual needs with the approval of the Board of Directors.</p> <p>(2) The lending interest rate shall not be lower than the highest interest rate at which the Company borrows short-term loans from financial institutions. However, the Board of Directors may adjust as needed.</p> <p>(3) Unless otherwise specifically stipulated, the principle is that interest on loans shall be paid once a month, and the borrower shall be notified one week before the agreed interest payment date to pay the interest on time.</p>	<p>1. Delete "firms" (not applicable).</p> <p>2. Revise the numbering method and text description</p>

Amended Articles	Current Provisions	Description:
<p><b>Article 5: Processing and Review Procedures</b></p> <p>1. When a borrower applies for a loan from the Company, they shall submit necessary company information and financial data, and make a written application for a financing amount to the Company.</p> <p>2. The Finance and Accounting Department shall thoroughly review the following matters based on the information obtained in the preceding paragraph:</p> <p>(1) The necessity and reasonableness of lending funds to others.</p> <p>(2) Credit verification and risk assessment of the borrower. Conduct investigation and evaluation on the borrower's business operations, financial status, repayment ability and creditworthiness, profitability, and loan purpose, and prepare a report.</p> <p>(3) The impact on the Company's operational risk, financial status, and shareholders' equity.</p> <p>(4) Whether collateral should be obtained and the assessed value of such collateral. Evaluate whether promissory notes of equal amount or collateral should be obtained, and if necessary, process the pledge or mortgage of movable or immovable property. For the debt security mentioned in the preceding paragraph, if the debtor provides an</p>	<p><b>Article 5: Processing and Review Procedures</b></p> <p>(1) When the Company handles fund lending matters, the borrower shall first provide necessary company information and financial data to apply for financing limits from the Company in writing.</p> <p><del>(2) After receiving the application, the Finance Department shall investigate and evaluate the borrower's business operations, financial condition, debt repayment ability and creditworthiness, profitability, and purpose of the loan, and prepare a report accordingly.</del></p> <p>(3) The Finance Department shall conduct a detailed investigation and evaluation of the fund lending target, and the evaluation items shall at least include:</p> <p>1. The necessity and reasonableness of lending funds to others.</p> <p><del>2. Whether the accumulated amount of funds lent to others is still within the limit.</del></p> <p>3. The impact on the Company's operational risks, financial condition, and shareholders' equity.</p> <p>4. Whether collateral should be obtained and the assessed value of the collateral.</p>	<p>1. Revised to add the text "Decision-making and Authorization" to the third item.</p> <p>2. According to the provisions of the "Audit Committee Charter," significant fund lending should be approved by the Audit Committee and submitted to the Board of Directors for resolution. Item (4) has been added to the third paragraph.</p> <p>3. The current text of Article 3, Paragraph 2 has been amended to Item (5) of Paragraph 3 of this Article.</p> <p>4. The current text of Article 7, Item (3) has been amended to Paragraph 4 of this Article.</p> <p>5. The current text of Article 7, Item (1) has been amended to Paragraph 5 of this Article.</p> <p>6. The current text of Article 9, Paragraph 4 has been amended to Paragraph 6 of this Article.</p> <p>7. The current text of Article 7, Item (2) has been amended to Paragraph 7 of this Article.</p> <p>8. The numbering method and text description have been amended.</p>

Amended Articles	Current Provisions	Description:
<p>individual or company with substantial financial resources and credit as a guarantor in lieu of providing collateral, the Board of Directors may process this with reference to the credit investigation report from the Finance and Accounting Department. If a company is providing the guarantee, attention should be paid to whether its articles of incorporation include provisions permitting it to provide guarantees.</p> <p>3. Decision-making and Authorization:</p> <p>(1) Before the Company lends funds to others, it should carefully evaluate whether the loan complies with regulations and the provisions of these Operational Procedures. The evaluation results from Article 2, Item (2) should be submitted to the Board of Directors for resolution before proceeding. This authority may not be delegated to any other person.</p> <p>(2) Loans of funds between the Company and its subsidiaries, or between subsidiaries, shall be submitted to the Board of Directors for resolution in accordance with Item (1), and the Chairman may be authorized to disburse loans in installments or revolve the use of funds to the same borrower within a certain amount resolved by the Board of Directors and for a period not exceeding one year.</p>	<p><del>5. Attach the credit investigation and risk assessment records of the fund lending target.</del></p> <p>(4) When the Company processes fund lending matters, it shall obtain a promissory note of equal amount as collateral if necessary, and when required, establish a pledge or mortgage on movable or immovable property. For the aforementioned debt security, if the debtor provides individuals or companies with substantial financial capacity and credit as guarantors instead of providing collateral, the Board of Directors may process this with reference to the credit investigation report from the finance department. When a company serves as a guarantor, attention should be paid to whether its articles of incorporation include provisions allowing it to act as a guarantor.</p> <p>(5) For cases with good credit investigation results, good credit rating, and legitimate borrowing purposes, the handling personnel should submit the credit investigation report, opinions, and proposed lending conditions in sequence to the financial manager, and then submit them to the Board of Directors for resolution and approval before lending can be made.</p>	

Amended Articles	Current Provisions	Description:
<p>(3) The "certain amount" mentioned in Item (2) refers to the authorized loan amount, which shall not exceed ten percent of the net worth of the lending company as shown in its latest financial statements, except for loans of funds between foreign companies in which the Company directly and indirectly holds one hundred percent of the voting shares, where there is no restriction on the authorized amount.</p> <p><u>(4) Major fund lending cases shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.</u></p> <p><u>When the Board of Directors is discussing the matter, the opinions of each independent director should be fully considered, and their explicit approval or objection, along with the reasons for any objection, should be recorded in the minutes of the Board meeting.</u></p> <p><u>4. If changes in circumstances cause the borrower to no longer meet the requirements specified in Article 2, or the loan balance exceeds the limit, the Company shall establish an improvement plan, submit the relevant improvement plan to the Audit Committee, and complete the improvements according to the plan's schedule.</u></p>	<p>(6) Fund lending between the Company and its subsidiaries shall be submitted to the Board of Directors for resolution in accordance with the preceding paragraph, and the Chairman may be authorized to make multiple disbursements or revolving use of funds to the same lending target within a certain amount resolved by the Board of Directors and for a period not exceeding one year.</p> <p>(7) The term "certain amount" mentioned in the preceding paragraph refers to the authorized lending limit. Except for fund lending between foreign companies in which the Company directly and indirectly holds 100% of the voting shares, where the authorized amount is not restricted, the Company's authorized amount for fund lending to a single enterprise shall not exceed 10% of the Company's net worth as shown in its latest financial statements. The term "net worth" refers to the equity attributable to the owners of the parent company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>(8) When fund lending is conducted between foreign companies in which the Company directly and indirectly holds 100% of the voting shares as mentioned in the preceding paragraph, the limits</p>	

Amended Articles	Current Provisions	Description:
<p><u>5. The Company shall establish a reference book for fund lending matters, which shall record in detail the borrower, amount, date of approval by the Board of Directors, date of fund lending, and matters that should be carefully evaluated in accordance with Item 2.</u></p> <p><u>6. The Company shall evaluate the fund lending situation and set aside adequate allowance for bad debts, appropriately disclose relevant information in the financial reports, and provide relevant data to the certifying accountants to perform necessary audit procedures.</u></p> <p><u>7. The Company's internal auditors shall audit the operating procedures for loaning funds to others and their implementation at least quarterly, and prepare written records. If any major violations are found, they shall immediately notify the Audit Committee in writing.</u></p>	<p>and terms of fund lending shall still be established in accordance with the regulations.</p>	
<p><b>Article 6: Subsequent Control Measures for Loaned Amounts and Procedures for Handling Overdue Debts</b></p> <p>1. After the loan has been disbursed, the Company should regularly monitor the financial, business,</p>	<p><b>Article 6: Subsequent Control Measures for Loaned Amounts and Procedures for Handling Overdue Debts</b></p> <p>(1) After the loan has been disbursed, the Company should regularly monitor the financial,</p>	<p><b>1.</b> Short-term financing that reaches its one-year term limit must be repaid through actual cash flow methods and cannot be extended without the Board of Directors' approval. Any extension without proper approval would violate Article 3</p>

Amended Articles	Current Provisions	Description:
<p>and credit conditions of the borrower and guarantor. If collateral has been provided, attention should also be paid to any changes in the value of such collateral. In case of significant changes, the President should be notified immediately, and appropriate actions should be taken according to instructions.</p> <p>2. When the borrower repays the loan at or before maturity, the interest payable should be calculated first. Only after both the interest and principal have been fully repaid can the promissory note be canceled and returned to the borrower or the mortgage be released.</p> <p><u>3. The Company may require the borrower to repay all loans immediately upon maturity, or directly enforce or recover from the collateral provided or the guarantor in accordance with the law.</u></p>	<p>business, and credit conditions of the borrower and guarantor. If collateral has been provided, attention should also be paid to any changes in the value of such collateral. In case of significant changes, the Chairman should be notified immediately, and appropriate actions should be taken according to instructions.</p> <p>(2) When the borrower repays the loan at or before maturity, the interest payable should be calculated first. Only after both the interest and principal have been fully repaid can the promissory note be canceled and returned to the borrower or the mortgage be released.</p> <p><b>3. Extension</b></p> <p><del>When a borrower needs to extend the loan before its maturity, they should apply for an extension and renewal two months before the loan due date. The Company shall then submit the request to the Board of Directors for approval, after which the relevant procedures will be reprocessed.</del></p>	<p>of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies. Therefore, the original third clause is deleted and a new provision is added that the Company may require immediate repayment of the debt.</p>
(Removed)	<p><b>Article 7: Internal Control Procedures:</b></p> <p><del>1. When the Company engages in lending funds, it shall establish a reference book to record in detail the borrowers, amounts, dates of approval by the Board of Directors, lending dates, and matters that</del></p>	<p><b>1.</b> The current paragraph (1) is amended to Article 5, Paragraph 5.</p> <p><b>2.</b> The current paragraph (2) is amended to Article 5, Paragraph 7.</p> <p><b>3.</b> The current paragraph (3) is amended to Article 5, Paragraph 4.</p>

Amended Articles	Current Provisions	Description:
	<p><del>should be carefully evaluated according to this Operating Procedure.</del></p> <p><del>2. The Company's internal auditors shall audit the fund lending procedures and their implementation at least quarterly and prepare written records. If any significant violations are found, they shall immediately notify each independent director in writing.</del></p> <p><del>3. If the Company's lending balance exceeds the limit due to changes in circumstances, an improvement plan shall be established and submitted to each independent director to strengthen the Company's internal control.</del></p> <p><del>4. The responsible staff shall compile a detailed statement of funds lent to other companies for the previous month before the 8th day of each month, and submit it for review through the proper chain of command.</del></p>	<p><del>4. Delete the current paragraph (4).</del></p>
<p><b>Article 7: Control Procedures for Subsidiaries Lending Funds to Others</b></p> <p>1. Subsidiaries of the Company intending to lend funds to others shall also establish their own operational procedures for lending funds to others and handle such matters in accordance with these</p>	<p><b>Article 8: Control Procedures for Subsidiaries Lending Funds to Others</b></p> <p>1. If a subsidiary of the Company intends to lend funds to others, it shall also establish these operational procedures and handle such matters in accordance with these procedures; however, the net</p>	<p><b>1.</b> If a subsidiary of the Company is not a public company, there is no requirement to establish full-time internal audit personnel, therefore the requirement for subsidiary audit personnel to audit the operational procedures for lending funds to others and their implementation at least quarterly is removed.</p>

Amended Articles	Current Provisions	Description:
<p>procedures; however, the net worth shall be calculated based on the subsidiary's net worth.</p> <p>2. When there is a necessity for financing funds, the limit of 40% of the lending company's net worth is not applicable to fund lending between foreign subsidiaries in which the Company directly and indirectly holds 100% of the voting shares, or to fund lending to the Company by foreign subsidiaries in which the Company directly and indirectly holds 100% of the voting shares. Additionally, the financing period is not restricted to one year or one business cycle; however, these subsidiaries should still specify the total amount of funds available for lending and the limit for individual borrowers in their operational procedures, and clearly define the lending period.</p> <p>3. Subsidiaries shall prepare a detailed statement of funds lent to other companies for the previous month before the 5th day (exclusive) of each month, and submit it to the Company for review.</p> <p>4. When the Company's audit personnel conduct audits at subsidiaries according to the annual audit plan, they shall simultaneously understand the implementation of the subsidiaries' operational procedures for lending funds to others. If any deficiencies are found, they shall continuously</p>	<p>worth shall be calculated based on the subsidiary's net worth.</p> <p>2. Subsidiaries shall prepare a detailed statement of funds lent to other companies for the previous month before the 5th day (exclusive) of each month, and submit it to the Company for review.</p> <p><del>3. The internal audit personnel of subsidiaries shall also audit the operational procedures for lending funds to others and their implementation at least quarterly, and make written records. If any significant violations are discovered, they shall immediately notify the Company's audit unit in writing. The Company's audit unit shall submit the written materials to each independent director.</del></p> <p>4. When the Company's audit personnel conduct audits at subsidiaries according to the annual audit plan, they shall simultaneously understand the implementation of the subsidiaries' operational procedures for lending funds to others. If any deficiencies are found, they shall continuously follow up on the improvement status and prepare a follow-up report to be submitted to the President (or the Chairman, depending on which unit the audit department directly reports to).</p>	<p>2. Referring to Article 3, Paragraph 4 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," which states: "The restriction in Subparagraph 2, Paragraph 1 shall not apply to fund lending between foreign companies in which a public company directly and indirectly holds 100% of the voting shares, nor to fund lending from a foreign company in which a public company directly and indirectly holds 100% of the voting shares to the public company. However, the total amount and individual limits for fund lending shall still be specified, and the duration of fund lending shall be clearly defined. The second subparagraph was amended and added.</p> <p>3. Amended article number and text description.</p>

Amended Articles	Current Provisions	Description:
follow up on the improvement status and prepare a follow-up report to be submitted to the Chairman.		
<p><b>Article 8: Announcement and Reporting Procedures</b></p> <p>1. The Company shall, before the 10th day of each month, enter the balance of funds lent by the Company and its subsidiaries for the previous month into the Market Observation Post System.</p> <p>2. The Company shall, within two days from the date of occurrence, enter into the Market Observation Post System if any of the following criteria for fund lending is met:</p> <p>(1) The balance of funds lent by the Company and its subsidiaries to others reaches 20% or more of the net worth in the Company's most recent financial statements.</p> <p>(2) The balance of funds lent by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net worth in the Company's most recent financial statements.</p> <p>(3) The amount of new funds lent by the Company or its subsidiaries reaches NT\$10 million or more and reaches 2% or more of the net worth in the Company's most recent financial statements.</p>	<p><b>Article 9: Information Disclosure (After Public Offering)</b></p> <p>1. The Company shall, by the 10th of each month, enter the balance of funds lent by the Company and its subsidiaries in the previous month into the Market Observation Post System.</p> <p>2. When the balance of funds lent by the Company reaches one of the following standards, it shall be entered into the Market Observation Post System within two days from the date of occurrence:</p> <p>(1) The balance of funds lent by the Company and its subsidiaries to others reaches 20% or more of the net worth in the Company's most recent financial statements.</p> <p>(2) The balance of funds lent by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net worth in the Company's most recent financial statements.</p> <p>(3) The Company or its subsidiaries newly lend funds in an amount of NT\$10 million or more and reaching 2% or more of the net worth in the Company's most recent financial statements.</p>	<p>2. Amended article number and text description.</p> <p>3. The current text of paragraph 4 is revised to Article 5, paragraph 6.</p>

Amended Articles	Current Provisions	Description:
<p>The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever comes first.</p> <p>3. If a subsidiary of the Company is not a domestic public company and has matters that should be entered into the Market Observation Post System as mentioned in subparagraph 3 of the preceding paragraph, such entry shall be made by the Company.</p>	<p>The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever comes first.</p> <p>3. If a subsidiary of the Company is not a domestic public company and the subsidiary has matters that should be announced and reported as mentioned in subparagraph 3 of the preceding paragraph, such announcement and reporting shall be made by the Company.</p> <p><del>4. The Company shall evaluate the fund lending situation and make adequate provision for bad debts, appropriately disclose relevant information in financial reports, and provide relevant data to the certifying accountant to perform necessary audit procedures.</del></p>	
<p><b>Article 9: Penalties</b></p> <p>The Company's managers and responsible personnel, when handling fund lending-related matters, shall be punished according to the severity of the circumstances in accordance with the Company's personnel management regulations if they violate laws and regulations or the provisions of these Operational Procedures.</p>	<p><b>Article 10: Penalties</b></p> <p>The Company's managers and responsible personnel shall be punished according to the severity of the circumstances in accordance with the Company's regulations when they violate these Operational Procedures.</p>	<p><b>1.</b> Amended article number and text description.</p>

Amended Articles	Current Provisions	Description:
<p><b>Article 10: Implementation and Amendment</b></p> <p>These Operational Procedures shall be approved by more than half of all Audit Committee members, submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval after being approved by the Board of Directors. <u>If any director expresses objection and it is recorded or stated in writing, the Company shall submit the objection to the Audit Committee and report it to the shareholders' meeting for discussion. The same applies when making amendments.</u></p> <p>If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p> <p><u>The "all Audit Committee members" in the preceding two paragraphs and the "all directors" in the preceding paragraph refer to those who are actually in office.</u></p>	<p><b>Article 11: Implementation and Amendment</b></p> <p>These Procedures shall be approved by more than half of all Audit Committee members, submitted to the Board of Directors for resolution, and then implemented after being approved by the shareholders' meeting; the same shall apply when amendments are made.</p> <p>If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p>	<ol style="list-style-type: none"> <li>1. Amendment to article numbering.</li> <li>2. Amended and added in accordance with Article 8 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".</li> </ol>

**【Attachment 10】****United Orthopedic Corporation****Endorsement and Guarantee Operational Procedures Comparison Table of Amended Articles**

<b>Amended Articles</b>	<b>Current Provisions</b>	<b>Description:</b>
<b>Article 1: Purpose</b> In order to provide guidelines for matters related to external endorsements and guarantees by the Company, these Operational Procedures are hereby established. Any matters not covered in these Operational Procedures shall be handled in accordance with the provisions of relevant laws and regulations.	<b>Article 1: Purpose</b> In order to provide guidelines for matters related to external endorsements and guarantees by the Company, these Procedures are hereby established. If there are any matters not covered in these Procedures, they shall be handled in accordance with the provisions of relevant laws and regulations.	<b>4.</b> The text description is revised.
<b>Article 2: Scope of Application</b> The term "endorsement and guarantee" as used in these Operational Procedures refers to the following matters: 1. Financing endorsements and guarantees, including (1) Discounting of customer notes for financing. (2) Endorsements or guarantees made for the purpose of financing other companies. (3) The issuance of separate negotiable instruments to non-financial enterprises as security for the Company's own financing purposes.	<b>Article 2: Scope of Application</b> The endorsements and guarantees referred to in these Procedures include: 1. Financing endorsements and guarantees, which refer to discounting of customer's notes for financing, endorsements or guarantees made for the purpose of financing other companies, and the issuance of separate negotiable instruments to non-financial enterprises as security for the Company's own financing purposes. 2. Customs duty endorsements and guarantees, which refer to endorsements or guarantees made for the Company or other companies regarding customs	<b>1.</b> The text description is revised.

Amended Articles	Current Provisions	Description:
<p>2. Customs duty endorsements and guarantees, which refer to endorsements or guarantees made for the Company or other companies regarding customs duty matters.</p> <p>3. Other endorsements and guarantees, which refer to endorsements or guarantees that cannot be classified under the preceding two categories.</p> <p>The Company's provision of movable or immovable property as collateral by establishing pledges or mortgages for other companies' loans shall also be handled in accordance with the provisions of these Operational Procedures.</p>	<p>duty matters.</p> <p>3. Other endorsements and guarantees, which refer to endorsements or guarantees that cannot be classified under the preceding two categories.</p> <p>4. The Company's provision of movable or immovable property as collateral by establishing pledges or mortgages for other companies' loans shall also be handled in accordance with the provisions of these Procedures.</p>	
<p><b>Article 3: Targets of Endorsements and Guarantees</b></p> <p>1. The Company may provide endorsements and guarantees to the following companies:</p> <p>(1) Companies with which the Company has business relations.</p> <p>(2) Companies in which the Company directly and indirectly holds more than fifty percent of the voting shares.</p> <p>(3) Companies that directly and indirectly hold more than fifty percent of the voting shares in the Company.</p>	<p><b>Article 3: Targets of Endorsements and Guarantees</b></p> <p>The Company may provide endorsements and guarantees to the following companies:</p> <p>(1) Companies with which the Company has business relations.</p> <p>Companies in which the Company directly and indirectly holds more than fifty percent of the voting shares.</p> <p>(3) Companies that directly and indirectly hold more than fifty percent of the voting shares in the Company.</p>	<p>1. The current provisions in the second paragraph state "However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares. Amended to Article 4, Paragraph 3.</p> <p>2. The numbering method and text description have been amended.</p>

Amended Articles	Current Provisions	Description:
<p>2. Companies in which the Company directly and indirectly holds ninety percent or more of the voting shares may provide endorsements and guarantees for each other.</p>	<p>Companies in which the Company directly and indirectly holds ninety percent or more of the voting shares may provide endorsements and guarantees for each other, and the amount shall not exceed ten percent of the Company's net worth. <del>However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.</del></p>	
<p><b>Article 4: Limits on Endorsements and Guarantees</b></p> <p>1. The total amount of external endorsements and guarantees provided by the Company shall be limited to fifty percent of the Company's paid-in capital. The amount of endorsements and guarantees provided to a single enterprise shall not exceed thirty percent of the Company's paid-in capital.</p> <p>2. The total amount of external endorsements and guarantees that may be provided by the Company and its subsidiaries as a whole shall be limited to sixty percent of the Company's paid-in capital. The amount of endorsements and guarantees provided to a single enterprise shall not exceed forty percent of the Company's paid-in capital.</p> <p><u>3. Companies in which the Company directly and indirectly holds more than ninety percent of the</u></p>	<p><b>Article 4: Limits on Endorsements and Guarantees</b></p> <p>The amount of external endorsements and guarantees provided by the Company shall not exceed fifty percent of the Company's paid-in capital. Of which, the limit of endorsements and guarantees for a single enterprise shall not exceed thirty percent of the Company's paid-in capital. <del>However, when the Company needs to exceed the limits set forth in the Endorsement and Guarantee Procedures due to business requirements, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees for the possible losses that may arise from the Company exceeding the limits.</del></p> <p>The total amount of external endorsements and guarantees that may be provided by the Company</p>	<p>1. In accordance with the provisions of Article 5, Paragraph 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," the third subparagraph has been amended and added.</p> <p>2. When the Company's financial statements are prepared in accordance with International Financial Reporting Standards, the term "net worth" in these Procedures shall refer to the equity attributable to the owners of the parent company as specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>3. The current provision in the second paragraph states: "However, when the Company needs to exceed the limits set</p>

Amended Articles	Current Provisions	Description:
<p><u>voting shares may provide endorsements and guarantees to each other, and the amount shall not exceed ten percent of the Company's net worth. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.</u></p> <p><u>When the Company prepares its financial reports in accordance with International Financial Reporting Standards, the term "net worth" in these Operating Procedures refers to the equity attributable to the owners of the parent company in the balance sheet as stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>and its subsidiaries as a whole shall not exceed sixty percent of the Company's paid-in capital. Of which, the limit of endorsements and guarantees for a single enterprise shall not exceed forty percent of the Company's paid-in capital.</p>	<p>forth in the Endorsement and Guarantee Procedures due to business requirements, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees for the possible losses that may arise from the Company exceeding the limits. This duplicates the current provision in Article 5, Paragraph 3, and is therefore deleted.</p> <p>4. The numbering method and text description have been amended.</p>
<p><b>Article 5: Decision-Making and Authorization Levels</b></p> <p>1. Before providing endorsements or guarantees for others, the Company shall carefully assess whether such actions comply with regulations and the provisions of these Procedures, and shall proceed after submitting the assessment results as specified in Article 6 to the Board of Directors for resolution. The Board of Directors may authorize the Chairman to make decisions within a certain limit, which will then be reported to the next Board meeting for</p>	<p><b>Article 5: Decision-Making and Authorization Levels</b></p> <p>When the Company engages in endorsements or guarantees, the handling department shall submit a proposal for approval by the Board of Directors. However, the Board of Directors may authorize the Chairman to make decisions, which will then be reported to the Board of Directors for ratification, and the relevant circumstances shall be reported to the shareholders' meeting for reference.</p> <p>Before subsidiaries in which the Company directly</p>	<p>8. According to Article 12, Paragraph 1, Subparagraph 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," Subparagraph 4 is hereby added.</p> <p>9. According to the "Audit Committee Charter," major endorsement or guarantee cases shall be approved by the Audit Committee and submitted to the Board of Directors for resolution, hereby adding Subparagraph 5.</p>

Amended Articles	Current Provisions	Description:
<p>ratification.</p> <p>2. Before a subsidiary in which the Company directly and indirectly holds 90% or more of the voting shares provides endorsements or guarantees pursuant to Article 4, Paragraph 3, the matter must be submitted to the Company's Board of Directors for approval before proceeding. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.</p> <p>3. When the Company needs to exceed the limits set forth in these Procedures for endorsements or guarantees due to business requirements, and such actions comply with the conditions stipulated in these Procedures, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees for the possible losses that may arise from the Company exceeding the limits. These Procedures shall be amended accordingly and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve, the Company shall establish a plan to eliminate the excess portion within a specified period.</p> <p>4. If the Company and its subsidiaries set the total</p>	<p>and indirectly holds 90% or more of the voting shares provide endorsements or guarantees in accordance with Article 3, Paragraph 2, the matter must be submitted to the Company's Board of Directors for resolution before proceeding. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.</p> <p>When the Company needs to exceed the endorsement or guarantee limits stipulated in Article 4 of these Procedures due to business requirements, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees before proceeding. These Procedures shall be amended accordingly and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve, the Company shall establish a plan to eliminate the excess portion within a specified period.</p> <p>When the Company has established independent directors, it shall fully consider the opinions of each independent director when providing endorsements or guarantees for others. and their explicit opinions of consent or objection, as well as the reasons for objection, should be recorded in the minutes of the</p>	<p>10. The numbering method and text description have been amended.</p>

Amended Articles	Current Provisions	Description:
<p><u>amount of endorsements or guarantees that may be provided at more than 50% of the Company's net worth, an explanation of the necessity and reasonableness shall be provided at the shareholders' meeting.</u></p> <p><u>5. Significant endorsement or guarantee cases must be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.</u></p> <p>6. When discussing at the Board meeting, the opinions of each independent director should be fully considered, and their explicit opinions of consent or objection, as well as the reasons for objection, should be recorded in the minutes of the Board meeting.</p>	Board meeting.	
<p><b>Article 6: Endorsement and Guarantee Review and Implementation Procedures</b></p> <p>1. The Finance Department shall review and evaluate the following matters:</p> <p>(1) The financial and business status of the endorsement or guarantee recipient, and assessment of the necessity and reasonableness of the endorsement or guarantee.</p> <p><u>(2) Credit investigation and risk assessment based on the information provided by the endorsement or</u></p>	<p><b>Article 6: Procedures for Handling Endorsements and Guarantees</b></p> <p>1. When the Company processes endorsement and guarantee matters, the company to be endorsed or guaranteed shall issue an application to the Company's finance department. The finance department shall conduct a credit investigation on the company to be endorsed or guaranteed, evaluate its risk and make an assessment record. After the review is approved, it shall be submitted to the President for approval. When necessary, collateral</p>	<p>1. Amendment to delete current provisions of subparagraph 1, and points 2, 3, and 6 of subparagraph 2.</p> <p>2. Amendment to add paragraph 3</p> <p>3. Amendment to add paragraph 5</p> <p>4. The current provision of Article 9, paragraph 4, is amended to become paragraph 6 of this article: "The finance department shall evaluate or recognize contingent losses from endorsements and guarantees, appropriately disclose</p>

Amended Articles	Current Provisions	Description:
<p><u>guarantee recipient.</u></p> <p>(3) Assessment of the impact on the Company's operational risk, financial status, and shareholders' equity.</p> <p>(4) Assessment of whether collateral should be obtained and the evaluation of the collateral's value.</p> <p>2. When the endorsement or guarantee recipient is a subsidiary with a net worth less than half of its paid-in capital, the Company shall obtain its financial statements monthly and reassess the risk of the endorsement or guarantee.</p> <p>For a subsidiary with no par value shares or with a par value other than NT\$10 per share, the paid-in capital calculated under subparagraph 5 of the preceding paragraph shall be the sum of the share capital plus capital surplus - premium on share capital.</p> <p>3. When processing endorsements or guarantees, the <u>finance department shall review whether the applicant's qualifications and amount meet the requirements of these Operational Procedures, and whether the situation has reached the standard requiring public announcement and reporting. The evaluation results from paragraph 1 shall be submitted to the President for approval and then presented to the Board of Directors for resolution</u></p>	<p>shall be obtained.</p> <p>2. The assessment items by the finance department regarding the company to be endorsed or guaranteed include:</p> <p>1. The necessity and reasonableness of the endorsement or guarantee.</p> <p><del>2. Whether the accumulated endorsement or guarantee amount is still within the limit.</del></p> <p><del>3. For endorsements or guarantees due to business relationships, the finance department shall evaluate whether the amount of endorsement or guarantee is within the limit of the business transaction amount.</del></p> <p>4. The impact on the Company's operational risks, financial condition, and shareholders' equity.</p> <p>5. Whether collateral should be obtained and the assessed value of the collateral.</p> <p><del>6. Attach the credit investigation and risk assessment records of the endorsement or guarantee.</del></p> <p>7. If the company receiving the endorsement or guarantee is a subsidiary with a net worth less than half of its paid-in capital, its financial statements shall be obtained monthly to control the risks that may arise from the endorsement or guarantee.</p> <p>For a subsidiary with no par value shares or with a</p>	<p>endorsement and guarantee information in financial reports, and provide relevant information to the certified public accountant to perform necessary audit procedures.</p> <p>5. Amendment to add paragraph 7</p>

Amended Articles	Current Provisions	Description:
<p><u>before implementation.</u></p> <p>4. If, due to changes in circumstances, the endorsement or guarantee recipient no longer meets the requirements of Article 3, or the amount of the endorsement or guarantee exceeds the limits set in Article 4, the finance department shall establish an improvement plan, submit the relevant improvement plan to the Audit Committee, and complete the improvements according to the plan schedule.</p> <p><u>5. The finance department shall establish a reference book to record in detail the endorsement or guarantee recipient, amount, date of approval by the Board of Directors or the President's decision, date of the endorsement or guarantee, and matters that should be carefully evaluated in accordance with Article 6.</u></p> <p><u>6. The finance department shall evaluate or recognize contingent losses from endorsements or guarantees and appropriately disclose endorsement or guarantee information in the financial reports, as well as provide relevant information to the certified public accountant to perform necessary audit procedures.</u></p> <p>7. Internal audit personnel shall audit the endorsement and guarantee operational procedures and their implementation at least quarterly, and</p>	<p>par value per share not at NT\$10, the paid-in capital amount calculated according to the preceding paragraph shall be the sum of the share capital plus the capital surplus - premium on share capital.</p> <p>3. If, due to changed circumstances, the endorsement or guarantee recipient who originally conformed to Article 2 of these Guidelines no longer meets the requirements, or if the amount of endorsement or guarantee exceeds the prescribed limit due to changes in the calculation basis, the amount of endorsement or guarantee to that recipient or the excess portion shall be eliminated when the contract expires, or the finance department shall establish a plan that, after approval by the President, will eliminate the entire amount within a certain time period, and report to the Board of Directors.</p>	

Amended Articles	Current Provisions	Description:
<p>prepare written records. If any major violations are discovered, they shall immediately notify the Audit Committee in writing.</p>		
<p><b>Article 7: Procedures for the Use and Custody of Seal</b></p> <p>1. The dedicated seal for endorsements and guarantees shall be the company seal registered with the Ministry of Economic Affairs. The seal and guarantee notes shall be kept by designated persons separately, and shall only be used or issued in accordance with the company's specified operating procedures. The seal custodian shall be appointed by the Chairman as authorized by the Board of Directors.</p> <p>2. When providing guarantees for foreign companies, the guarantee letter issued by the company shall be signed by the Chairman as authorized by the Board of Directors.</p>	<p><b>Article 7: Seal Custody and Procedures</b></p> <p>1. The dedicated seal for endorsements and guarantees shall be the company seal registered with the Ministry of Economic Affairs. The seal and guarantee notes shall be kept by designated persons separately, and shall only be used or issued in accordance with the company's specified operating procedures. The seal custodian shall be appointed by the Chairman as authorized by the Board of Directors.</p> <p>2. When providing guarantees for foreign companies, the guarantee letter issued by the company shall be signed by the Chairman as authorized by the Board of Directors.</p>	<p>1. The text description is revised.</p>

Amended Articles	Current Provisions	Description:
(Removed)	<p><del><b>Article 8: Matters to Note When Processing Endorsements and Guarantees:</b></del></p> <p><del>1. If due to changes in circumstances, the endorsement and guarantee recipient originally complied with Article 3 of these Procedures but subsequently no longer complies, or if the amount of endorsement and guarantee exceeds the limit set forth in Article 4 due to changes in the basis for calculating the limit, the audit unit shall urge the Finance Department to eliminate all of the endorsed and guaranteed amount for such recipient or the exceeding portion either upon the expiration of the contract or within a specific period. The improvement plan shall be submitted to each independent director and reported to the Board of Directors.</del></p> <p><del>2. When the Company needs to exceed the limits set forth in these Procedures for endorsements and guarantees due to business requirements, and such action complies with the conditions stipulated in these Procedures, it must be approved by the Board of Directors, and more than half of the directors must jointly guarantee the potential losses that may be incurred by the Company due to the excess. These Procedures shall also be amended and submitted to the shareholders' meeting for retroactive approval. If the shareholders' meeting does not approve, a plan</del></p>	<p>1. The partial text in Item 1 of the current provisions duplicates Item 3 of Article 6 of the current provisions, and is therefore deleted.</p> <p>2. The partial text in Item 2 of the current provisions duplicates Paragraph 3 of Article 5 of the current provisions, and is therefore deleted.</p>

Amended Articles	Current Provisions	Description:
	<p><del>shall be established to eliminate the excess portion within a specific period. When the Company has appointed independent directors, during the Board discussion mentioned in the preceding paragraph, the opinions of each independent director shall be fully considered, and their explicit opinions of approval or objection, along with the reasons for objection, shall be recorded in the Board meeting minutes.</del></p>	
<p><b>Article 8: Announcement and Reporting Procedures</b></p> <p>1. The Company shall, before the 10th of each month, input the Company's and its subsidiaries' endorsement and guarantee balances for the previous month into the Market Observation Post System.</p> <p>2. When the Company's endorsements and guarantees reach one of the following criteria, the information shall be input into the Market Observation Post System within two days from the date of occurrence:</p> <p>(1) The aggregate balance of endorsements and guarantees made by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statements.</p> <p>(2) The aggregate balance of endorsements and</p>	<p><b>Article 9: Time Limits and Content for Public Announcement and Reporting. <del>(After public issuance)</del></b></p> <p>1. The Company shall, before the 10th day of each month, input the previous month's balance of endorsements and guarantees made by the Company and its subsidiaries into the Market Observation Post System.</p> <p>2. When the Company's endorsements and guarantees reach one of the following criteria, the information shall be input into the Market Observation Post System within two days counting from the date of occurrence:</p> <p>1. The balance of endorsements and guarantees made by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its</p>	<p>1. The current content of Article 4 is amended to Article 6, Paragraph 6.</p> <p>2. Amended article number, numbering method, and textual description.</p>

Amended Articles	Current Provisions	Description:
<p>guarantees made by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statements.</p> <p>(3) The aggregate balance of endorsements and guarantees made by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the aggregate amount of endorsements and guarantees, carrying amount of investment accounted for using the equity method, and balance of loans to such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.</p> <p>(4) The amount of new endorsements and guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statements.</p> <p>The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever comes first.</p> <p>3. Where a subsidiary of the Company is not a domestic public company, and the subsidiary has matters specified in the preceding paragraph,</p>	<p>latest financial statements.</p> <p>2. The balance of endorsements and guarantees made by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statements.</p> <p>3. The balance of endorsements and guarantees made by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the aggregate amount of endorsements and guarantees, the carrying amount of investments accounted for using the equity method, and the balance of loans extended to such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.</p> <p>4. The amount of new endorsements and guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statements.</p> <p>The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever comes first.</p> <p>3. Where a subsidiary of the Company is not a domestic public company, and the subsidiary has</p>	

Amended Articles	Current Provisions	Description:
<p>subparagraph 4 that should be input into the Market Observation Post System, the Company shall handle the input on behalf of the subsidiary.</p>	<p>matters specified in the preceding paragraph, subparagraph 4 that should be input into the Market Observation Post System, the Company shall handle the input on behalf of the subsidiary.</p> <p><del>4. The Company shall evaluate or recognize contingent losses from endorsements and guarantees, appropriately disclose relevant information in financial reports, and provide relevant materials to the certified public accountants to perform necessary audit procedures.</del></p>	
<p><b>Article 9: Control Procedures for Endorsements and Guarantees Made by Subsidiaries</b></p> <p>1. If a subsidiary of the Company intends to make endorsements or provide guarantees for others, the subsidiary shall also establish operational procedures for endorsements and guarantees, and handle such matters in accordance with these procedures; however, the net worth shall be calculated based on the subsidiary's net worth.</p> <p>2. Subsidiaries shall compile a detailed statement of endorsements and guarantees made for others in the previous month before the 5th day (not inclusive) of each month, and submit it to the Company for review.</p> <p>3. When the Company's auditors conduct inspections</p>	<p><b>Article 10: Control Procedures for Endorsements and Guarantees Made by Subsidiaries</b></p> <p>1. If a subsidiary of the Company intends to make endorsements or guarantees for others, it shall also establish these Operational Procedures and handle such matters in accordance with these Procedures; however, the net worth shall be calculated based on the subsidiary's net worth.</p> <p>2. Subsidiaries shall compile a detailed statement of endorsements and guarantees made for others in the previous month before the 10th day (not inclusive) of each month, and submit it to the Company for review.</p> <p>3. When the Company's auditors conduct inspections at subsidiaries according to the annual audit plan,</p>	<p>1. Amended article number and text description.</p>

Amended Articles	Current Provisions	Description:
<p>at subsidiaries according to the annual audit plan, they shall also understand the implementation of the subsidiaries' operational procedures for endorsements and guarantees for others. If any deficiencies are found, they shall continuously follow up on the improvement status and prepare a follow-up report to be submitted to the Chairman.</p>	<p>they shall also understand the implementation of the subsidiaries' operational procedures for endorsements and guarantees for others. If any deficiencies are found, they shall continuously follow up on the improvement status and prepare a follow-up report to be submitted to the Chairman (or the General Manager, depending on which unit the audit department directly reports to).</p>	
<p><b>Article 10: Penalties</b></p> <p>The Company's managers and responsible personnel who handle matters related to endorsements and guarantees, if found in violation of laws or the provisions of these Operational Procedures, shall be subject to penalties according to the severity of the circumstances in accordance with the Company's personnel management regulations.</p>	<p><b>Article 11: Penalties</b></p> <p>The Company's managers and responsible personnel who violate these Operational Procedures shall be reported for evaluation in accordance with the Company's personnel management regulations and employee handbook, and shall be subject to penalties according to the severity of the circumstances.</p>	<p>1. Amended article number and text description.</p>
<p><b>Article 11: Implementation and Amendment</b></p> <p>These Operational Procedures shall be approved by more than half of all Audit Committee members, then submitted to the Board of Directors for resolution and approval, and finally reported to the Shareholders' Meeting for approval. If any director expresses objection and it is recorded or stated in writing, the Company shall submit the objection to the Audit Committee and report it to the</p>	<p><b>Article 12: Implementation and Amendments</b></p> <p>These Procedures shall be approved by more than half of all Audit Committee members, submitted to the Board of Directors for resolution, and then implemented after being approved by the shareholders' meeting; the same shall apply when amendments are made.</p> <p>If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it</p>	<p>1. The amendment adds provisions for handling situations where directors express objections that are recorded or submitted in written statements.</p> <p>2. Amended article number and text description.</p>

Amended Articles	Current Provisions	Description:
<p>shareholders' meeting for discussion. The same applies when making amendments.</p> <p>If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p> <p>The "all Audit Committee members" in the preceding two paragraphs and the "all directors" in the preceding paragraph refer to those who are actually in office.</p>	<p>may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p> <p>The terms "all Audit Committee members" in the preceding two paragraphs and "all directors" in the preceding paragraph refer to those who are actually in office.</p>	

## 【Appendix 1】

### United Orthopedic Corporation Rules and Procedures of Shareholders' Meeting

#### Article 1 (The basis)

To establish a sound corporate governance system for shareholders' meetings, enhance the supervisory function, and strengthen the management mechanism of the company, these rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, for compliance purposes.

#### Article 2 Unless otherwise specified by laws and regulations or the Articles of Incorporation, Shareholders' Meetings of the Company shall be conducted in accordance with the Rules.

#### Article 3 (Convening of Shareholders' Meetings and Meeting Notices)

Unless otherwise specified in laws and regulations, the shareholders' meetings shall be convened by the Board.

When convening a virtual shareholders' meeting, the Company shall, unless otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, specify such in the Articles of Incorporation and obtain a resolution from the Board of Directors. The virtual shareholders' meeting shall be implemented by a resolution of the Board of Directors with the attendance of at least two-thirds of all directors and the approval of more than half of the directors present.

Any changes to the method of convening the shareholders' meeting of the Company shall be resolved by the Board of Directors, and made no later than the date of meeting notice announcement.

The regular shareholders' meeting shall be convened with prior notice of 30 days given to all shareholders; for shareholders holding less than 1,000 registered shares, the notice may be given 30 days in advance by posting on the Public Information Observation System. The extraordinary shareholders' meeting shall be convened with prior notice of 15 days given to all shareholders; for shareholders holding less than 1,000 registered shares, the notice may be given 15 days in advance by posting on the Public Information Observation System.

**The notice and public announcement shall specify the reasons for convening the meeting.**

The re-election of directors, amendments to the Articles of Incorporation, capital reduction, permission for directors to engage in competitive business operations, capitalization of profits, capitalization of legal reserve, company dissolution, merger, demerger, matters specified in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons for convening the meeting and shall not be proposed as ad hoc motions.

Article 4 (Proxy Attendance at Shareholders' Meetings and Authorization)

A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company specifying therein the scope of power authorized to the proxy.

A shareholder of the company shall issue a written proxy, and shall appoint only one person as proxy, which shall be delivered to the company five days prior to the date of the shareholders' meeting. In the case of duplicate proxies, the one received earliest shall prevail. However, this shall not apply to declarations to revoke the previous proxy.

After the proxy form is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise voting rights in writing or by electronic means, the shareholder shall notify the Company in writing to revoke the proxy appointment no later than two days prior to the date of the shareholders' meeting; if the revocation is made after the deadline, the voting rights exercised by the proxy shall prevail.

After the power of attorney is delivered to the company, if a shareholder wishes to attend the shareholders' meeting via video conference, the shareholder should provide written notice to the company to revoke the proxy two days prior to the shareholders' meeting; if the revocation is overdue, the voting rights shall be exercised by the proxy.

Article 5 (Principles for Determining the Venue and Time of Shareholders' Meetings)

Shareholders' meeting shall be held at the Company's premises or at a place that is convenient for shareholders to attend and suitable for holding such meetings. The meeting shall not start earlier than 9:00 am or later than 3:00 pm. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the Meeting.

When convening a video shareholders' meeting, this company is not subject to the restrictions on the meeting venue mentioned in the preceding paragraph.

Article 6 (Preparation of Attendance Register and Other Documents)

The company shall have an attendance book for attending shareholders or their proxies (hereinafter referred to as shareholders) to sign in, or the attending shareholders may submit sign-in cards in lieu of signing in.

The Company shall deliver the agenda handbook, annual report, attendance certificate, speech slip, ballot, and other meeting materials to the shareholders attending the shareholders' meeting; for the election of directors, the election ballots shall be attached as well.

Shareholders should attend the shareholders' meeting with their attendance certificates, attendance cards, or other attendance credentials; those who solicit proxy forms should also bring identification documents for verification.

When the government or a legal entity is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, only one person may be appointed to represent and attend.

The registration time for the shareholders in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration desk shall be clearly marked and staffed with sufficient and qualified personnel; for video-conferenced shareholders' meetings, registration shall be accepted on the video-conferencing platform 30 minutes before the start of the meeting, and shareholders who have completed registration shall be deemed to have attended the shareholders' meeting in person.

In the event of a virtual shareholders' meeting, shareholders who intend to attend the meeting via video conference shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the manual for shareholders' meetings, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Required Information in the Convening Notice for Virtual Shareholders' Meetings)

To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

1. Information detailing how shareholders may attend the virtual meeting and exercise their rights.

2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, which at least should cover the following particulars:
  - (1) The time of the meeting that must be postponed or resumed at a later date due to an aforementioned malfunction, and the date that a postponed meeting will be resumed.
  - (2) Shareholders who did not register to attend the original shareholders' meeting via video conferencing will not be allowed to participate in any postponed or continued meetings.
  - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting via video conference, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting via video conference shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting via video conference shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.
  - (4) Stating the actions to be taken if the outcomes of all proposals have been announced and an extraordinary motion has not been carried out.
3. To convene a virtual shareholders' meeting via video conference, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified. Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, companies shall provide shareholders with the necessary equipment and assistance for online participation, and specify the period during which shareholders may apply to the company and other relevant matters to be noted.

Article 7 (Chairperson of Shareholders' Meetings and Attendees)

If the Shareholders' Meeting is convened by the Board of Directors, the Chairman of the Board shall preside over the meeting. If the Chairman is unable to perform such duties due to leave of absence or for any other reason, the Vice Chairman shall act on the Chairman's behalf. If there is no Vice Chairman, or if the Vice Chairperson is on leave or unable to perform his/her duties, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint anyone to act on his/her behalf, one shall be

elected from among the directors to act on the Chairman's behalf.

In the shareholders' meeting convened by the board of directors, it is advisable for more than half of the directors of the board to participate and attend.

If the shareholders' meeting is convened by a person with convening rights other than the board of directors, the chairperson shall be the person with convening rights. If there are two or more persons with convening rights, one of them shall be elected as the chairperson.

The Company shall appoint its designated lawyers, accountants or relevant personnel to attend the shareholders' meeting.

#### Article 8 (Audio or Video Recording of Shareholders' Meetings for Evidence)

The company shall record the entire process of the shareholders' meeting in audio or video, and keep it for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Where a shareholders' meeting is held via video conference, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

#### Article 9 (Calculation of Shares Present and Commencement of Meeting)

Attendance at shareholders' meetings shall be determined based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards, and by the shares checked-in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or through electronic means.

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be

limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two such postponements the numbers of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the adjournment of the meeting; In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements, as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month. In the event of a virtual Shareholders' Meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

If before the meeting ends the number of shares represented in the meeting reaches 50% or more of all issued shares, the Chairperson may re-propose the tentative resolution to the meeting for voting according to Article 174 of the Company Act.

#### Article 10 (Discussion of Proposals)

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting earlier unless the agenda (including provisional motions) under the preceding two paragraphs are concluded. If the chairman announces the adjournment of the meeting in violation of the Rules, other members of the Board shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

Regarding the proposal, amendments proposed by shareholders, or extemporaneous motions, the Chairman shall provide sufficient explanation and discussion opportunities. When deemed ready for a vote, the Chairman may announce the discussion closed and bring it to a vote.

Article 11 (Speeches of Shareholders)

Before attending shareholders speak, they must first fill out a speech slip stating the main points of their speech, shareholder account number (or attendance certificate number), and account name, and the chairman will determine the order of their speeches.

Shareholders who attended the meeting and submitted a speech request but did not speak shall be deemed to have not spoken. The spoken content shall prevail if it differs from the record of the speech.

For the same proposal, each shareholder may speak no more than twice without the chairperson's consent, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or is beyond the scope of the proposal, the chairperson may stop them from speaking.

When a shareholder speaks at the meeting, other shareholders shall not interrupt or interfere unless they have obtained consent from both the chairperson and the speaking shareholder. If there is a violation, the chairperson shall call it to a stop.

When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one of them may speak on the same proposal.

After shareholders speak, the chairperson must personally respond or designate relevant personnel to respond.

Where a virtual shareholders' meeting via video conference is convened, shareholders attending the meeting may raise questions in writing at the platform from the moment the Chairman declares the meeting open until the Chairman declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1 to 5 do not apply.

As long as the questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable to disclose them to the public on the virtual meeting platform.

Article 12 (Voting rights and conflicts of interest)

The count of votes in a Shareholders' Meeting is based on the number of shares represented at the meeting.

Resolutions of the shareholders' meeting shall not include the number of shares without voting rights in the total number of issued shares.

If a shareholder has a personal interest in a matter under consideration at the meeting that may conflict with the interests of the company, the shareholder shall not participate in the vote, and shall not exercise the voting rights as a proxy for

other shareholders.

The number of shares for which voting rights cannot be exercised in the preceding paragraph shall not be counted as part of the voting rights of shareholders present.

Except for trust enterprises or share transfer agencies approved by the securities regulatory authority, if a person is entrusted by two or more shareholders at the same time, the voting rights they represent shall not exceed 3% of the total voting rights of the issued shares. If exceeded, the excess voting rights shall not be counted.

#### Article 13 (Voting, ballot examination, and ballot count)

Each shareholder has one vote per share; however, this does not apply to those with restricted or no voting rights.

Unless otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.

The proposal shall be voted on by the attending shareholders on a case-by-case basis.

In cases where there are several amendments or alternative resolutions to a certain agenda item, the Chairperson shall determine the order in which voting takes place on the new and original proposals. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

The individual supervising the casting of votes and counting the ballots for the resolution shall be appointed by the chairperson, provided that the vote supervisor(s) shall be shareholder(s). Ballot counting should be conducted publicly at the venue of the shareholders' meeting. The voting results should be announced on the spot and recorded.

For a video-conference shareholders' meeting, shareholders participating via video-conferencing should vote on each proposal and election through the video-conference platform after the chairperson declares the meeting open. Voting should be completed before the chairperson announces the end of voting, otherwise it will be deemed as an abstention.

If the shareholders' meeting is convened by video conference, the votes should be counted once after the chairperson announces the completion of voting, and the voting and election results should be announced.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6, and wish to attend the physical shareholders' meeting in person,

shall revoke their registration in the same manner as registration two days prior to the meeting; if the revocation is overdue, they may only attend the shareholders' meeting by video.

When shareholders exercise voting rights by writing or electronic transmission, unless they have withdrawn the declaration of intent and attended the shareholders' meeting via video conference, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14 (Election)

When the shareholders' meeting has an election of directors, it shall be handled in accordance with the relevant election regulations prescribed by the Company, and the election results shall be announced on the spot.

The ballots cast in the election in the foregoing paragraph must be sealed up with signature by the voting inspector, given proper safekeeping and kept for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

#### Article 15 (Meeting minutes and acknowledgment)

Resolutions made at a shareholders' meeting shall be stated in the meeting minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

The distribution of the minutes of the preceding meeting may be made by the Company by posting on the Market Observation Post System.

The minutes of proceedings shall record the year, month, date, venue, the name of the chairperson, the method of resolution, the essentials of the proceedings and the results thereof, and shall be permanently retained during the existence of the Company.

The method of resolution mentioned in the preceding paragraph shall be subject to a poll, vote by vote, for each proposal, and the result of voting shall be recorded in the minutes of proceedings.

When the shareholders' meeting is convened by video conference, in addition to the items that should be recorded in accordance with the preceding paragraph, the meeting minutes should also record the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chairperson and recorder, as well as the handling methods and situations when the video

conference platform or participation by video encounters obstacles due to natural disasters, accidents, or other force majeure events.

In addition to complying with the regulations set forth in the preceding paragraph when convening a video shareholders' meeting, the company shall also record in the meeting minutes any alternative measures provided for shareholders who have difficulty participating in the shareholders' meeting via video.

#### Article 16 (Public Announcement)

Regarding the number of shares solicited by the solicitor, the number of shares represented by the proxy, and the number of shares present in writing or electronically by the shareholders, the Company shall compile a statistical statement in the prescribed format on the day of the shareholders' meeting and disclose it clearly at the venue of the shareholders' meeting; if the shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

The Company convened a video conference for a shareholders' meeting. When the meeting is announced, the total number of shares held by attending shareholders should be disclosed on the video conferencing platform. If there is another count of the total number of shares and voting rights of the attending shareholders during the meeting, it shall be the same.

For resolutions made at shareholders' meetings, if there are any major announcements as required by laws and regulations or the Taiwan Stock Exchange Corporation, the Company shall transmit the content to the Market Observation Post System within the prescribed time period.

#### Article 17 (Meeting order)

Personnel working at the Shareholders' Meeting must wear identification cards or badges.

The chair may instruct the inspectors or security personnel to assist in maintaining order at the meeting venue. When security guards or security personnel are present to assist in maintaining order, they should wear armbands or identification cards with the text "Security Personnel".

If the venue is equipped with amplifiers, the chairman may stop shareholders from speaking if they do not use the equipment provided by the company.

If a shareholder violates the rules of procedure and does not comply with the

chairman's correction, obstructing the progress of the meeting, and refuses to be stopped, the chairman may instruct the sergeant-at-arms or security personnel to ask them to leave the venue.

Article 18 (Intermission)

During the meeting, the chairman may, at his discretion, set time for recess. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set forth in the shareholders' meeting ( including provisional motions ) are concluded, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

According to the provisions of Article 182 of the Company Act, the shareholders' meeting shall resolve to postpone or continue the meeting within five days.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election of various proposals immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least 15 minutes after the Chairman has announced the meeting adjourned.

Article 20 (Location of the Chairman and Secretary of Virtual Shareholders' Meetings)

When the Company convenes a video shareholders' meeting, the chair and recorder shall be present at the same location in Taiwan, and the chair shall announce the address of that location at the start of the meeting.

Article 21 (Handling of disconnection)

When a shareholders' meeting is convened via video conference, the chairperson shall announce, in addition to the circumstances in which no postponement or continuation of the meeting is required as stipulated in Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, that before the chairperson announces the adjournment of the meeting, if a natural disaster, an incident, or other force majeure event renders the video conference platform or participation via video conference interrupted for more than 30 consecutive minutes, the meeting shall be postponed or continued within 5 days, without being subject to the provisions of Article 182

of the Company Act.

If the previous meeting is postponed or continued, shareholders who did not register to participate in the original shareholders' meeting via video conferencing will not be allowed to participate in the postponed or continued meeting.

For a meeting that has been postponed or resumed under the second paragraph of this Article, the number of shares represented by and the voting rights and election rights exercised by the shareholders who registered to participate in the affected Shareholders' Meeting and who successfully signed into the meeting but who do not then go on to attend the postponed or resumed session shall nevertheless be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.

In accordance with the provisions of the second paragraph, when the shareholders' meeting is postponed or resumed, for proposals that have completed voting, counting, and announced voting results or a list of elected directors, there is no need for further discussion and resolution.

If a video-assisted shareholders' meeting is held by the company and the video conference cannot be continued due to the second circumstance, if the number of attending shareholders after deducting those attending via video still meets the legal quorum for the meeting, the shareholders' meeting shall continue without the need to postpone or reconvene the meeting in accordance with the second paragraph.

Under circumstances where a meeting should continue as described in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed to have abstained from voting on all proposals on the meeting agenda of that Shareholders' Meeting.

If the Company postpones or continues the meeting in accordance with the provisions of the second paragraph, it shall follow the provisions of Article 44-20, Paragraph 7 of the Regulations Governing Handling of Stock Affairs for Public Companies, and conduct relevant preparatory work in accordance with the original shareholders' meeting date and the relevant provisions

Article 22: When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting via video conference. Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations

Governing the Administration of Shareholder Services of Public Companies, companies shall provide shareholders with the necessary equipment and assistance for online participation, and specify the period during which shareholders may apply to the company and other relevant matters to be noted.

Article 23: Matters not provided for in these Regulations shall be handled in accordance with the provisions of the Company Act, the Company's Articles of Incorporation, and relevant laws and regulations.

Article 24: These Regulations shall become effective after approval by the Shareholders' Meeting. The same shall apply to any amendments.

## **【Appendix 2】**

### **United Orthopedic Corporation Procedures for Board of Directors' Meetings**

#### **Article 1 (Basis for Establishing These Rules)**

To establish a sound governance system for the Company's Board of Directors, enhance supervisory functions, and strengthen management capabilities, these Rules are established in accordance with Article 2 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to be followed.

#### **Article 2 (Scope of These Rules)**

The meeting procedure of the Company's Board of Directors, including main meeting content, operating procedures, matters to be recorded in the minutes, announcements, and other matters to be followed, shall be conducted in accordance with the provisions of these Rules.

#### **Article 3 (Convening of Board Meetings and Meeting Notices)**

The Board of Directors shall meet at least once quarterly.

The convening of a Board meeting shall state the reason for convening and notify each director seven days in advance. However, in cases of emergency, a meeting may be convened at any time.

The notification of convening mentioned in the preceding paragraph may be given by electronic means with the consent of the recipient.

The matters listed in each subparagraph of Paragraph 1, Article 12 of these Rules shall be specified in the reasons for convening and shall not be raised as extemporary motions.

#### **Article 4 (Meeting Notices and Meeting Materials)**

The unit designated by the Company's Board of Directors to handle meeting affairs is the Company's President's Office.

The meeting affairs unit shall prepare the Board meeting agenda contents and provide sufficient meeting materials, which shall be sent together with the convening notice.

If a director deems the meeting materials insufficient, they may request the meeting affairs unit to provide supplementary materials. If a director deems the proposal materials insufficient, they may postpone the deliberation by Board resolution.

Article 5 (Preparation of Attendance Book and Other Documents, and Proxy Attendance by Directors)

When convening a Board meeting of the Company, an attendance book shall be provided for attending directors to sign in for reference purposes.

Directors shall attend Board meetings in person. If a director is unable to attend in person, they may appoint another director as their proxy to attend in accordance with the Company's Articles of Incorporation. Directors participating via video conference shall be deemed to be attending in person.

When a director appoints another director as proxy to attend a Board meeting, they shall issue a proxy form for each meeting, specifying the scope of authorization regarding the agenda items of the meeting.

The proxy mentioned in the second paragraph shall be limited to representing one person only.

Article 6 (Principles for Determining the Location and Time of Board Meetings)

The Company's Board meetings shall be held at a location and time that is at the Company's premises during office hours, or at a location and time that is convenient for directors to attend and suitable for holding Board meetings.

Article 7 (Chairperson of the Board and Acting Chairperson)

Board meetings convened by the President shall be chaired by the President. However, for the first Board meeting of each term, the meeting shall be convened by the director who received the highest number of votes representing voting rights at the shareholders' meeting, and the chairperson of the meeting shall be the convener. When there are two or more conveners, they shall select one person from among themselves to serve as the chairperson.

When a Board meeting is convened by a majority of directors on their own initiative in accordance with paragraph 4 of Article 203 or paragraph 3 of Article 203-1 of the Company Act, the directors shall elect one person from among themselves to serve as the chairperson.

When the Chairman is on leave or unable to exercise their authority for any reason, the Vice Chairman shall act on their behalf. If there is no Vice Chairman, or the Vice Chairman is also on leave or unable to exercise their authority for

any reason, the Chairman shall designate one director to act on their behalf. If the Chairman has not designated an acting chairperson, the directors shall select one person from among themselves to serve as the acting chairperson.

Article 8 (Reference Materials for Board Meetings, Attendees, and Convening of Board Meetings)

When convening a Board meeting, the managerial department (or the unit designated by the Board to handle meeting affairs) shall prepare relevant materials for attending directors to review at any time.

When convening a Board meeting, relevant department or subsidiary personnel may be notified to attend depending on the content of the proposals. When necessary, certified public accountants, attorneys, or other professionals may also be invited to attend the meeting and provide explanations. However, they should leave during discussions and voting.

The chairperson of the Board shall announce the commencement of the meeting when the scheduled meeting time has arrived and more than half of the directors are present.

When the scheduled meeting time has arrived and half of all directors are not present, the chairperson may announce a postponement of the meeting, with the number of postponements limited to two. If the quorum is still not met after two postponements, the chairperson may reconvene the meeting according to the procedures specified in Article 3, Paragraph 2.

The term "all directors" as used in the preceding paragraph and in Article 16, Paragraph 2, Item 2 shall be calculated based on the number of directors actually in office.

Article 9 (Audio or Video Recording of Board Meetings for Evidence)

The entire proceedings of the Company's Board meetings shall be recorded in audio or video format for evidence purposes and shall be kept for at least five years. Such recordings may be preserved in electronic format.

If litigation occurs regarding matters resolved by the Board before the expiration of the preservation period mentioned in the preceding paragraph, the relevant audio or video recordings shall continue to be preserved until the conclusion of the litigation.

For meetings held by video conference, the video and audio data form part of the meeting minutes and shall be properly preserved for the duration of the company's existence.

Article 10 (Agenda Items)

The agenda of the Company's regular Board meetings shall include at least the following items:

1. Report:
  - (1) Minutes of the previous meeting and implementation status.
  - (2) Important financial and business reports.
  - (3) Internal audit business reports.
  - (4) Other important reporting matters.
2. Discussion items:
  - (1) Discussion items reserved from the previous meeting.
  - (2) Scheduled discussion items for this meeting.
3. Impromptu motions.

Article 11 (Discussion of Proposals)

The Company's Board of Directors shall proceed according to the agenda specified in the meeting notice. However, the agenda may be changed with the approval of a majority of directors present at the meeting.

Without the approval of a majority of directors present at the meeting, the chairperson shall not arbitrarily adjourn the meeting.

During the proceeding of the Board meeting, if the number of directors remaining at the meeting falls below a majority of the directors present at the meeting, upon the motion of a director remaining at the meeting, the chairperson shall announce a suspension of the meeting and the provisions of Article 8, Paragraph 4 shall apply *mutatis mutandis*.

Article 12 (Matters Required to Be Discussed by the Board of Directors)

The following matters shall be submitted to the Company's Board of Directors for discussion:

1. The Company's business plan.
2. Annual financial reports and semi-annual financial reports. However, this does not apply to semi-annual financial reports that are not required by law to be audited and attested by a certified public accountant.

3. The adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the "SEA"), and the assessment of the effectiveness of the internal control system.
4. The adoption or amendment of procedures for handling material financial or business activities, such as the acquisition or disposal of assets, derivatives trading, loans to others, and endorsements or guarantees for others, in accordance with Article 36-1 of the SEA.
5. The offering, issuance, or private placement of equity-type securities.
6. The election or dismissal of the Chairman of the board of directors where the board has not established the position of managing director.
7. The appointment or dismissal of the head of finance, accounting, or internal audit.
8. Donations to related parties or major donations to non-related parties. However, donations of public welfare nature for emergency relief in response to major natural disasters may be submitted to the next board meeting for ratification.
9. Matters specified in Article 14-3 of the SEA, other matters that require shareholder or board approval in accordance with laws, regulations, or the articles of incorporation, or major matters designated by the competent authority.

The term "related party" as mentioned in Subparagraph 7 of the preceding paragraph refers to a related party as defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to any individual donation, or cumulative donations to a single recipient within a one-year period, that amounts to NT\$100 million or more, or reaches 1% or more of the company's net operating revenue or 5% or more of the paid-in capital as stated in the most recent CPA-audited financial report.

The term "within a one-year period" as mentioned in the preceding paragraph refers to a one-year period calculated retroactively from the date of the current board meeting. Amounts that have already been approved by the board of directors need not be included in the calculation again.

For a foreign company whose stock has no par value or a par value other than NT\$10, the 5% of paid-in capital amount referenced in paragraph 2 shall be calculated as 2.5% of shareholders' equity.

When a company has appointed independent director(s), at least one independent director shall attend the board meeting in person; for matters that

must be approved by resolution of the board of directors as specified in paragraph 1, all independent directors shall attend the board meeting. If an independent director cannot attend in person, he or she shall appoint another independent director to attend as proxy. If an independent director has objections or reservations, they shall be recorded in the minutes of the board meeting. If an independent director cannot attend the board meeting in person to express objections or reservations, unless there is a legitimate reason, the director shall provide a written opinion in advance, which shall be recorded in the minutes of the board meeting.

#### Article 13 (Voting [I])

When the chairperson deems that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.

When a proposal comes to a vote at a board meeting of the Company, if the chairperson inquires and no directors express objections, the proposal shall be deemed approved. If any objection is expressed when the chairperson makes an inquiry, the proposal shall be put to a vote.

The voting method shall be selected by the chairperson from the following options, but if any attendee objects, the decision shall be made according to the opinion of the majority:

1. Voting by a show of hands or by voting device.
2. Roll-call vote.
3. Ballot vote.
4. Any other voting method selected by the Company.

The term "all directors present" in the preceding two paragraphs does not include directors who are not entitled to exercise voting rights under paragraph 1 of Article 15.

#### Article 14 (Voting [II] and Methods of Ballot Monitoring and Counting)

Resolutions of the Company's Board of Directors, except as otherwise provided by the Securities and Exchange Act and the Company Act, shall require the attendance of a majority of directors and the consent of a majority of the directors present.

In cases where there are several amendments or alternative resolutions to a certain agenda item, the Chairperson shall determine the order in which voting

takes place on the new and original proposals. However, if one proposal has been approved, other proposals shall be deemed rejected and no further voting is necessary.

If it is necessary to appoint personnel for ballot monitoring and counting for voting on proposals, they shall be appointed by the chairperson, provided that the ballot monitors shall have the status of directors.

The voting results shall be reported on the spot and recorded.

#### Article 15 (Directors' Conflict of Interest Recusal System)

A director who has a personal interest, or represents a legal entity which has an interest, in a matter under discussion at a board meeting shall explain the essential contents of such interest at the current Board meeting. If there is a concern that it may be detrimental to the Company's interests, the director shall not participate in the discussion and voting on that matter, and shall recuse themselves during the discussion and voting, and shall not exercise voting rights on behalf of other directors.

The spouse of a director, blood relatives within the second degree of kinship, or a company that has a controlling/subordinate relationship with the director, who have an interest in the matters mentioned in the preceding paragraph, shall be deemed as the director having a personal interest in such matter.

The resolutions of the Company's Board of Directors concerning directors who are not entitled to exercise voting rights pursuant to the preceding two paragraphs shall be handled in accordance with Paragraph 4, Article 206 of the Company Act, which applies mutatis mutandis to Paragraph 2, Article 180 of the Company Act.

#### Article 16 (Meeting Minutes and Signature Items)

The proceedings of the Company's Board of Directors meetings shall be recorded in minutes, which shall faithfully record the following matters:

1. Meeting session (or year) and the time and place of the meeting.
2. The name of the chairperson.
3. Attendance status of directors, including names and number of those present, on leave, and absent.
4. Names and titles of those attending as nonvoting participants.
5. Name of the minute-taker.
6. Report Items

7. Discussion items: The method and result of resolution for each proposal, summaries of remarks by directors, supervisors, experts, and other personnel, names of directors with conflicts of interest as stipulated in Paragraph 1 of the preceding article, explanation of the important content of the conflicts of interest, reasons for recusal or non-recusal, recusal status, objections or reservations that have been recorded or stated in writing, and written opinions issued by independent directors pursuant to Paragraph 5 of Article 12.
8. Extempore motions: The name of the proposer, the method and result of resolution for each proposal, summaries of remarks by directors, experts, and other personnel, names of directors with conflicts of interest as stipulated in Paragraph 1 of the preceding article, explanation of the important content of the conflicts of interest, reasons for recusal or non-recusal, recusal status, and objections or reservations that have been recorded or stated in writing.

9. Other required disclosures:

Matters resolved by the board of directors shall, in addition to being recorded in the minutes, be publicly announced and reported on the Market Observation Post System designated by the Financial Supervisory Commission of the Executive Yuan within two days from the date of the board meeting, if any of the following circumstances occur:

1. An independent director has objections or reservations that have been recorded or stated in writing.
2. The matter was not approved by the audit committee of the company but was approved by more than two-thirds of all directors.

The sign-in book of the board of directors is part of the minutes and shall be properly preserved throughout the company's existence.

The minutes shall be signed or sealed by the chairperson of the meeting and the minutes taker, and distributed to all directors within twenty days after the meeting. And should be included in the company's important files and properly preserved throughout the company's existence.

The production and distribution of the minutes referred to in Paragraph 1 may be done electronically.

Article 17 (Principles of Authorization for the Board of Directors)

In addition to the matters to be discussed by the board of directors of the company as stipulated in Paragraph 1 of Article 12, the specific content of the authority delegated to the Chairman by the board of directors in accordance with

laws, regulations, or the company's articles of incorporation is as follows:

1. To fully handle matters related to loan amounts and conditions with financial institutions according to the company's funding needs, and to report the implementation status to the board of directors.
2. Based on the company's funding needs, to handle matters related to endorsements and guarantees within the limits stipulated in the endorsement and guarantee operation procedures, to handle matters related to lending funds to others within the limits stipulated in the procedures for lending funds to others, and to handle transaction matters within the limits stipulated in the procedures for acquiring or disposing of assets, and to report the implementation status to the board of directors.
3. To appoint directors and representatives of subsidiaries (including overseas branches) as deemed necessary.
4. To adjust the company's organizational structure and revise the organizational regulations.

Article 18      The establishment and amendment of these regulations shall be approved by the board of directors and reported to the shareholders' meeting.

## **【Appendix 3】**

### **United Orthopedic Corporation Articles of Incorporation**

#### **Chapter 1 General Provisions**

- Article 1: This company is organized and named United Orthopedic Corporation in accordance with the provisions of the Company Act. The English name is United Orthopedic Corporation.
- Article 2: The businesses operated by this company are as follows:
- (1) Research, development, production and sales on the following products:
    1. Artificial orthopedic implants: including artificial joints, artificial bone plates, intramedullary rods, bone pins and so on.
    2. Orthopedic surgical equipment and its manufacturing equipment.
    3. Special metal and plastic materials.
  - (2) The import, export and trade of aforementioned products.
- Article 3: The company's headquarters is located in the Hsinchu Science and Industrial Park. If necessary, upon resolution by the Board of Directors and approval by the competent authority, it may establish branches and offices domestically and abroad.
- Article 4: The company may provide external guarantees as required for its business needs.
- The company's investment in other companies shall not be subject to the restriction that the total investment shall not exceed 40% of the paid-up capital as prescribed in Article 13 of the Company Act. Matters related to investment in other companies shall be handled by resolution of the Board of Directors.

#### **Chapter 2 Shares**

- Article 5: The authorized capital of the company is NT\$1.5 billion, divided into 150 million shares with a par value of NT\$10 per share, to be issued in installments. The unissued shares shall be issued upon resolution by the Board of Directors as needed. Preferred shares may be issued from the aforementioned shares.
- The rights and other important issuance terms of the Company's preferred shares are as follows:
1. The Company shall apply the current year's earnings, if any, to pay for taxes as stipulated by laws and regulations, offset accumulated losses of previous years, and allocate a portion as legal reserve pursuant to laws and

regulations. Next, special reserve is appropriated or reversed pursuant to the Articles of Association. After adding the accumulated undistributed earnings, the remaining earnings, if any, are allocated as preference share dividends for the year. The Company has discretion over the distribution of preference share dividends.

2. The dividend rate of Preferred Shares is capped at 8% per annum on the issue price. Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. The number of dividends distributed for the year of issuance and the year of redemption is calculated based on the actual number of days issued in that year.
3. If the Company does not generate any or sufficient profits during the year for the distribution of preference share dividends, it may resolve not to pay out the dividends and preference shareholders have no rights to object. If the Preferred Shares issued are specified as non-cumulative, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.
4. Except for the dividend prescribed in subparagraph 2 of this Article 5-1, Preferred Shareholders, if holding non-participating preferred shares, are not entitled to participate in the distribution of cash or stock dividends with regard of the Common Shares derived from earnings or capital reserves.
5. When issuing new shares for cash, the Company shall grant preemptive rights to holders of preferred shares and holders of common shares on the same terms.
6. Holders of preferred shares have priority over common shareholders in the distribution of the Company's remaining assets, and have the same order of compensation as holders of other classes of preferred shares issued by the Company, but are subordinate to general creditors, subject to the limitation that the amount distributed shall not exceed the outstanding number of issued preferred shares multiplied by the issue price.
7. Preferred shareholders do not have voting rights or electoral rights, but they can be elected as directors and have voting rights at the preferred shareholders' meeting or shareholders' meetings involving matters related to the rights and obligations of preferred shareholders.
8. The preferred shares issued by this company, if convertible, may not be converted within one year from the date of issuance. The Board is authorized to set the convertible period in the actual issuance terms.

Holders of convertible Preferred Shares may, pursuant to the issuance terms, apply for conversion of its shareholding (in whole or in part) to common shares pursuant to the conversion ratio set out in the issuance terms (ratio is 1:1). Upon conversion, the converted shares shall have the same rights and obligations as common shares. Dividend distribution at the year of conversion shall be calculated based on the ratio between the actual issuance days and total days of the conversion year, provided, however, that when said shares are converted prior to the ex-dividend date of any given year, the shareholder may not participate in the preferred share dividend distribution of that year and the dividend distribution of the year after, but such shareholder may participate in the distribution of profit and capital reserve to holders of common shares.

9. Preferred shares have no maturity date. Preferred shareholders have no right to demand the company to redeem their preferred shares, but the company may, from the day after the fifth anniversary of the issuance, redeem all or part of the preferred shares in cash at the original actual issue price and related issuance regulations, or by issuing new shares for mandatory conversion or other legally permitted methods. The preferred shares that have not been redeemed will continue to maintain the rights and obligations of the respective issuance conditions until the company redeems them. In the year of redeeming preferred the stocks, if the Company's shareholders' meeting makes the resolution to distribute dividends, the distributable dividends up to the date of redemption shall be calculated according to the actual issuance days of the current year.
10. Preferred shares and ordinary shares converted therefrom, the Board of Directors is authorized to handle the listing matters in view of the company's and market's conditions.

The name, issuance date, specific issuance conditions and other relevant matters of the preferred shares shall be determined by the Board of Directors at the time of actual issuance, in accordance with the capital market conditions and investors' subscription intentions, and in compliance with the Company's Articles of Incorporation and relevant laws and regulations.

Article 7: The Company's shares shall be issued in registered form, signed or sealed by the director representing the Company, and issued after being certified in accordance with the law. The Company is exempt from printing certificates for shares issued, but the centralized securities depository institution should be contacted for registration.

Article 8: The transfer of stock ownership and name change shall be suspended within 60 days before the annual general meeting of shareholders, within 30 days before the extraordinary general meeting of shareholders, or within 5 days before the record

date for distribution of dividends, bonuses, or other benefits by the company.

### **Chapter 3 Shareholders' Meeting**

- Article 9: Shareholders' meetings are divided into regular and extraordinary meetings. The regular meeting is convened once a year, within six months after the end of each fiscal year, by the board of directors in accordance with the law. Temporary meetings shall be convened as necessary in accordance with the law. The Preferred Shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations.
- Article 10: When a shareholder is unable to attend a shareholders' meeting, they may issue a proxy form provided by the company, specifying the scope of authorization, and appoint a proxy to attend the meeting. The use of proxy forms shall be handled in accordance with the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.
- Article 11: Each shareholder of the company has one vote per share.
- Article 12: Unless otherwise provided by relevant laws and regulations, resolutions of the shareholders' meeting shall be adopted with the attendance of shareholders representing more than one-half of the total issued shares, and with the approval of a majority of the voting rights held by the attending shareholders. The shareholders of this company may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed to have attended the meeting in person, and the relevant matters shall be handled in accordance with the provisions of the laws and regulations.
- Article 12-1: When a shareholders' meeting is held, it may be conducted through a video conference or other means announced by the Ministry of Economic Affairs.

### **Chapter 4 Directors**

- Article 13: The Company shall have nine to eleven Directors, who shall be elected by the Shareholders' Meeting from among persons with legal capacity for a term of three years and may be re-elected. After the Company has publicly issued shares, the total shareholding ratio of all Directors shall comply with the regulations of the securities authority.
- Among the number of directors of the Board prescribed in the preceding article, the number of independent directors of the Company shall be no less than three or no less than one fifth of the total number of directors, whichever is higher. The election of directors (including independent directors) of the Company

adopts a candidate nomination system, and the shareholders' meeting shall elect from the list of independent director candidates. With respect to professional qualifications, shareholdings, restrictions on holding concurrent posts, nomination, election/appointment and other compliance-related requirements for independent directors, the Company shall follow the relevant laws and regulations announced by the competent authority in charge of the securities and exchange.

The Company may purchase liability insurance for directors within their term of office for the compensation liability they should bear in accordance with the law within the scope of business operations.

- Article 13-1: The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall replace the supervisors and be responsible for executing the powers and duties prescribed by the Company Act, the Securities and Exchange Act, and other laws and regulations.
- Article 14: The Board of Directors shall be organized by the directors, and a chairperson shall be elected by more than two-thirds of the directors present and with the consent of more than half of the directors present to represent the Company.
- Article 15: The Board of Directors shall be chaired by the Chairman. If the Chairman takes leave or is unable to exercise his/her powers for any reason, he/she shall appoint one person to act on his/her behalf. If the Chairman fails to appoint an acting agent, one person shall be elected by the directors to act on his/her behalf. The resolution method of the Board of Directors shall be handled in accordance with the provisions of the Company Act. The resolution method of the Board of Directors shall be handled in accordance with the provisions of the Company Act.
- Article 16: The remuneration of the Chairman and directors shall be authorized by the Board of Directors to be determined based on their degree of participation in the Company's operations and the value of their contributions, and with reference to the usual levels of the industry.

## **Chapter 5   Managers**

- Article 17: The Company shall have one General Manager, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6 Accounting**

- Article 18: The Company's fiscal year shall commence on January 1 and end on December 31 of each year, with December 31 being the final accounting period for the entire fiscal

year. At the end of each fiscal year: The Board of Directors shall prepare the following documents, which shall be audited by the Audit Committee and submitted to the Shareholders' Meeting for approval:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 19: (Removed)

Article 20: In case the Company makes a profit in the current year (profit refers to income before tax and before distribution of remuneration to employees and Directors), 12% shall be allocated as the employee remuneration and no more than 3% as remuneration to Directors. However, when the Company has accumulated losses (including adjustment on non-distributed earnings), the loss should offset first from profits.

The Company may only distribute the aforementioned employees remuneration and remuneration to Directors in cash by a Board resolution and reported to the shareholders' meeting.

Article 20-1: In case there are profits after tax at the closing account of the current year, the Company shall first make up the accumulated deficit (including adjustment on non-distributed earnings) and retain 10% as statutory surplus reserve in accordance with the law; however, when the statutory surplus reserve exceeds the registered capital of the Company, it is not subject to this limitation. After the statutory surplus reserve has been retained or rotated in accordance with the regulations or requests made by competent agencies, if there is accumulated undistributed earnings, the holders of preference share are given priority to be distributed the dividends of the current year. If there are still undistributed earnings left, 50% to 100% of the remaining earnings shall be distributed as shareholders' dividends, of which, 50% of the shareholders' dividends that are distributed in the current year shall be distributed as cash dividends.

When the Company sets aside the special surplus reserve in accordance with law, for the shortfall of the "net deduction of other interests accumulated in the previous period", before the distribution of the earnings, it should first set aside the same amount of special surplus reserve from the undistributed earnings of the previous period; if there is still a shortfall, the current period's after-tax net profit plus the amount other than the current after-tax net profit shall be included in the current undistributed earnings and set aside.

The cash dividends or bonuses distributed in the preceding paragraph, as well as the distribution of capital surplus or statutory surplus reserve in cash, shall be authorized by a resolution adopted by a majority vote at a meeting of the Board

of Directors attended by two-thirds or more of the total number of directors, and such distribution shall be reported to the shareholders' meeting.

## **Chapter 7     Supplementary Provisions**

Article 21: Any matters not covered in these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 22: These Articles of Incorporation were established on February 1, 1993.

The first amendment was made on April 9, 1994.

The second amendment was made on August 31, 1994.

The third amendment was made on December 15, 1996.

The fourth amendment was made on December 15, 1996.

The fifth amendment was made on May 15, 1997.

The sixth amendment was made on July 15, 1997.

The seventh amendment was made on January 5, 1998.

The eighth amendment was made on June 5, 1998.

The ninth amendment was made on June 10, 1999.

The tenth amendment was made on June 14, 2000.

The eleventh amendment was made on June 19, 2002.

The twelfth amendment was made on June 17, 2003.

The thirteenth amendment was made on June 17, 2004.

The fourteenth amendment was made on November 30, 2004.

The fifteenth amendment was made on June 16, 2005.

The sixteenth amendment was made on June 14, 2006.

The seventeenth amendment was made on June 13, 2007.

The eighteenth amendment was made on June 18, 2010.

The nineteenth amendment was made on June 24, 2013.

The twentieth amendment was made on June 22, 2016.

The twenty-first amendment was made on June 19, 2019.

The twenty-second amendment was made on June 16, 2020.

The twenty-third amendment was made on June 21, 2022.

The twenty-fourth amendment was made on June 15, 2023.

United Orthopedic Corporation

Person in charge: Lin, Yan-Sheng

## **【Appendix 4】**

### **United Orthopedic Corporation Procedures for Acquisition or Disposal of Assets**

**Article 1: Purpose**

To protect assets and implement information disclosure, these procedures are specifically established.

**Article 2: Legal Basis**

These procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission.

**Article 3: Scope of Assets**

1. Securities: Including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, subscription (sale) warrants, beneficiary certificates, and asset-backed securities.
2. Real estate and other fixed assets.
3. Membership certificates.
4. Intangible assets: Including patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims against financial institutions (including receivables, discounted exchange purchases and loans, and collection items).
7. Derivative products.
8. Assets acquired or disposed of through legal merger, division, acquisition, or share transfer.
9. Other significant assets.

**Article 4: Definition of Terms**

1. Derivative products: Refers to forward contracts, options contracts, futures

contracts, leveraged margin contracts, swap contracts whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables; combinations of the above contracts; or combined contracts or structured products with embedded derivatives. The aforementioned forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sales) contracts.

2. Assets acquired or disposed of through legal merger, demerger, acquisition, or transfer of shares: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, or other laws, or shares acquired from another company through issuance of new shares as consideration under Article 156-3 of the Company Act.
3. Related parties and subsidiaries: These shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real estate appraiser or other person authorized by law to engage in the business of appraising real estate and equipment.
5. Date of occurrence: Refers to the earliest of the transaction signing date, payment date, commission completion date, transfer date, board resolution date, or other date when the transaction counterparty and transaction amount can be confirmed. However, for investments requiring approval from the competent authority, the date of occurrence shall be the earlier of the above dates or the date when approval is received from the competent authority.
6. Investment in Mainland China: Refers to investments in Mainland China conducted in accordance with the provisions of the Investment Commission, Ministry of Economic Affairs' Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. The term "most recent financial statements" refers to the financial statements that have been audited or reviewed by a certified public accountant and publicly disclosed by the company in accordance with the law prior to the acquisition or disposal of assets.

**Article 5: Investment Limits for Non-business Real Estate and Securities**

The limits for the Company and each subsidiary to individually acquire the

aforementioned assets are set as follows:

1. Real estate not for business use shall not exceed 15 percent of the net worth shown in the most recent financial statements of the Company and each subsidiary.
2. The total amount of investment in securities shall not exceed 70 percent of the net worth shown in the most recent financial statements of the Company and each subsidiary.
3. The amount of investment in an individual security shall not exceed 10 percent of the net worth shown in the most recent financial statements of the Company and each subsidiary.

Any investment exceeding the above limits and scope shall be submitted to the Board of Directors for approval before proceeding.

Article 6: The appraisal reports or opinions issued by certified public accountants, attorneys, or securities underwriters obtained by the Company shall comply with the following requirements: the professional appraiser and its appraisal personnel, certified public accountant, attorney, or securities underwriter shall meet the following requirements:

1. Has never been sentenced to imprisonment for one year or more for violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related crimes. However, this restriction does not apply to those who have completed their sentence, finished their probation period, or been pardoned for three years or more.
2. Must not be a related party or have a substantive relationship with any party to the transaction.
3. If the Company needs to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal personnel must not be related parties or have a substantive relationship with each other.

The personnel mentioned in the preceding paragraph, when issuing appraisal reports or opinions, shall comply with the self-regulatory rules of their respective industry associations and the following matters:

1. Before accepting an engagement, they shall carefully evaluate their own professional competence, practical experience, and independence.
2. When executing the engagement, they shall properly plan and implement appropriate operating procedures to form conclusions and issue reports or

opinions accordingly; and shall record in detail the procedures performed, information collected, and conclusions reached in the case working papers.

3. They shall evaluate the appropriateness and reasonableness of the data sources, parameters, and information used on an item-by-item basis, as the foundation for issuing appraisal reports or opinions.
4. Declarations should include statements that the relevant personnel possess professional expertise and independence, have evaluated the information used as appropriate and reasonable, and have complied with relevant laws and regulations.

Article 7: Assets acquired or disposed of through court auction procedures may use the documentary proof issued by the court in place of an appraisal report or CPA opinion.

Article 8: Procedures for Acquisition or Disposal of Real Property, Equipment, or Right-of-Use Assets

1. Evaluation and Operating Procedures

The Company's acquisition or disposal of real property, equipment, or right-of-use assets shall be handled in accordance with the fixed asset cycle of the Company's internal control system.

2. Decision-making Procedures for Transaction Conditions and Authorization Limits

The Company's acquisition or disposal of real property or right-of-use assets shall take into consideration the published current value, assessed value, actual transaction prices of neighboring real property or right-of-use assets, etc., to determine the transaction conditions and price, and prepare an analysis report to be submitted to the President. Acquisition or disposal of equipment or right-of-use assets shall be conducted through one of the following methods: price inquiry, price comparison, price negotiation, or bidding. For amounts within 20% of the paid-in capital, approval from the Chairman is required; for amounts exceeding 20% of the paid-in capital, approval from the Board of Directors must be obtained before proceeding.

3. Implementation Unit

When the Company acquires or disposes of real property, equipment, or right-of-use assets, after obtaining approval according to the authorization limits specified in the preceding paragraph, the user department and the administration department shall be responsible for implementation.

4. Appraisal Reports for Real Property, Equipment, or Right-of-use Assets

When the Company acquires or disposes of real property, equipment, or right-of-use assets, except in cases of transactions with domestic government agencies, construction on self-owned land, construction on leased land, or acquisition or disposal of equipment or right-of-use assets for business use, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence of the event, and shall comply with the following provisions:

- (1) When a limited price, specified price, or special price must be used as a reference for the transaction price due to special circumstances, the transaction should first be submitted to the Board of Directors for approval. If there are subsequent changes to the transaction conditions, the same procedures should be followed.
- (2) If the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) If the appraisal results from the professional appraiser have any of the following circumstances, unless the appraisal results for assets to be acquired are all higher than the transaction amount, or the appraisal results for assets to be disposed of are all lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  1. The appraisal result differs from the transaction amount by 20 percent or more of the transaction amount.
  2. The difference between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) The date of the appraisal report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the same published current value applies and does not exceed six months, the original professional appraiser may issue a statement of opinion.

#### Article 9: Procedures for Acquiring or Disposing of Securities Investments

##### 1. Evaluation and Operating Procedures

The purchase and sale of securities by the Company shall be conducted in accordance with the investment cycle of the Company's internal control system.

2. Decision-making Procedures for Transaction Conditions and Authorization Limits

For securities trading conducted on the centralized or non-centralized securities exchange or at securities dealers' business offices, the responsible unit shall make decisions based on market conditions. The acquisition and disposal of securities shall be evaluated by the implementing unit and implemented after approval by the Board of Directors. However, the Board of Directors may authorize the Chairman to approve transactions with amounts within 20% of the paid-in capital, and subsequently report to the Board of Directors for ratification. However, for securities trading not conducted on the centralized securities exchange or at securities dealers' business offices, the Company shall, prior to the date of occurrence, obtain the latest financial statements of the target company audited or reviewed by a certified public accountant as reference for evaluating the transaction price, taking into consideration factors such as net worth per share, profitability, and future development potential.

3. Implementation Unit

When the Company invests in long and short-term securities, the Finance and Accounting Department shall be responsible for execution after obtaining approval according to the authorization limits specified in the preceding paragraph.

4. Obtaining CPA's Opinion

The Company shall, prior to the date of occurrence, engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price when acquiring or disposing of securities with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more. However, this requirement does not apply if the securities have quoted prices in active markets or if the Financial Supervisory Commission has specified otherwise.

Article 10: Procedures for Related Party Transactions

1. When the Company acquires or disposes of assets with related parties, in addition to following other articles in these Procedures, the Company shall also comply with the following provisions regarding relevant resolution procedures and evaluation of the reasonableness of transaction terms. If the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or an opinion from a CPA in accordance with the regulations.

The calculation of the transaction amount in the preceding paragraph shall be conducted in accordance with the provisions of Article 11-1.

When determining whether a transaction counterparty is a related party, in addition to considering its legal form, the substantive relationship should also be taken into account.

## 2. Evaluation and Operating Procedures

When the Company acquires or disposes of real property or right-of-use assets from or to a related party, or when it acquires or disposes of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the following information shall first be approved by the Audit Committee and passed by the Board of Directors before the Company may sign the transaction contract and make payment:

- (1) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as the transaction counterparty.
- (3) When acquiring real property or right-of-use assets from a related party, information relevant to evaluating the reasonableness of the proposed transaction terms in accordance with subparagraphs (1) and (4) of paragraph 3 of this Article.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or the opinion of a CPA obtained in compliance with paragraph 1 of this Article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with subparagraph 5 of paragraph 1 of Article 15. Furthermore, "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, and items that have already been submitted to and

approved by the shareholders' meeting, the board of directors, and the Audit Committee in accordance with these Procedures need not be counted toward the transaction amount.

When the Company, its parent company, its subsidiaries, or its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or total capital acquire or dispose of equipment or right-of-use assets for business use, or right-of-use assets of real property, between one another, the board of directors may delegate the decision to the Chairman within a certain threshold, and have the decisions subsequently submitted to and ratified at the next board of directors meeting.

When the Company or any of its subsidiaries that is not a domestic public company engages in a transaction listed in paragraph 2 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit the materials listed in the subparagraphs of paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its parent company, its subsidiaries, or between its subsidiaries are exempt from this requirement.

When submitting matters for discussion by the board of directors pursuant to the preceding paragraph, the opinions of the independent directors shall be fully taken into consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

### 3. Assessment of the Reasonableness of Transaction Costs

(1) When the Company acquires or disposes of assets with a related party, the reasonableness of the transaction costs shall be evaluated by the following methods.

1. Add necessary interest on funds and costs to be borne by the buyer according to law to the transaction price with the related party. The term "necessary interest cost" shall be calculated based on the weighted average interest rate of borrowings in the year the Company purchases the assets, provided that it does not exceed the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. If the related party has previously created a mortgage on the object with a financial institution, the total loan evaluation value of the financial institution for that object. However, the actual cumulative lending value of the financial institution for the object must reach at

least 70% of the total loan evaluation value, and the lending period must have exceeded one year. However, this does not apply when the financial institution is a related party to one of the trading parties.

- (2) When acquiring or leasing the same target of land and buildings, the transaction costs for the land and buildings may be evaluated separately by any of the methods listed in the preceding paragraph.
- (3) When the Company acquires real property or right-of-use assets from a related party, it shall evaluate the cost of the real property in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article, and shall also engage a CPA to review the evaluation and express a specific opinion.
- (4) When the Company acquires real property or right-of-use assets from a related party and the results of evaluations conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are both lower than the transaction price, the matter shall be handled in accordance with subparagraph 5 of paragraph 3 of this Article. However, this restriction does not apply if there is objective evidence and specific opinions on reasonableness from professional real property appraisers and CPAs under the following circumstances:
  1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - (1) Where the undeveloped land is appraised in accordance with the methods stated in the preceding Article, and the buildings are appraised according to the related party's construction cost plus reasonable construction profit, and the total value exceeds the actual transaction price. The term "reasonable construction profit" shall be calculated based on the lower of the average gross profit margin of the related party's construction division over the most recent three years or the latest gross profit margin for the construction industry published by the Ministry of Finance.
    - (2) Transactions completed by unrelated parties within the past year involving other floors of the same property or neighboring properties of similar size where the transaction terms are deemed reasonable after evaluation based on reasonable floor or location price disparities in accordance with real property purchasing or leasing market practices.
    - (3) Where there have been cases of leases of other floors of the same property with non-related parties within the past year, and the

terms of the transaction can be shown to be similar after reasonable adjustment for differences in floor levels in accordance with standard real property leasing market practices.

2. The Company provides evidence that the transaction terms for the acquisition of real property or right-of-use assets through leasing from a related party are comparable to those of transactions completed by unrelated parties in the neighboring area within the past year for properties of similar size. The aforementioned "transactions in neighboring areas" refers principally to transactions on the same or adjacent streets and within a radius of not more than 500 meters from the subject property, or properties with similar publicly announced values; the term "similar size" refers principally to transactions by unrelated parties for properties with areas not less than 50 percent of the area of the subject property; the term "within the past year" refers to the one-year period preceding the date of occurrence of the acquisition of the real property or right-of-use assets.
- (5) When the Company acquires real property or right-of-use assets from a related party, if the results of evaluations conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are both lower than the transaction price, the following actions shall be taken:
1. The Company shall set aside a special reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act for the difference between the real property or right-of-use asset transaction price and the appraised cost, and may not distribute or use it for capital increase and issuance of bonus shares. Investors who evaluate their investments in the Company using the equity method, if they are public companies, shall also set aside a special reserve under Paragraph 1, Article 41 of the Securities and Exchange Act in proportion to their shareholding ratio.
  2. Independent Directors shall handle the matter in accordance with Article 218 of the Company Act.
  3. The handling of items 1 and 2 of subparagraph 5 of paragraph 3 of this Article shall be reported to the shareholders' meeting, and the detailed content of the transaction shall be disclosed in the annual report and prospectus.

If a public company that the Company has invested in and for which the Company uses the equity method of accounting has set aside a special reserve under the aforementioned provisions, the Company may not utilize such special reserve until the assets purchased or

leased at a premium have recognized a loss due to decline in market value, or have been disposed of or the lease has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and approval has been obtained from the Financial Supervisory Commission.

- (6) When the Company acquires real property or right-of-use assets from a related party and one of the following circumstances exists, the transaction shall be conducted in accordance with the provisions regarding evaluation of the reasonableness of transaction costs as stipulated in subparagraphs 1, 2, and 3 of paragraph 3 of this Article:
  1. The related party acquires the real property or right-of-use assets through inheritance or gift.
  2. The time when the related party contracted to acquire the real property or right-of-use assets is more than five years prior to the date of the current transaction.
  3. Acquiring real property by signing a joint construction contract with a related party.
- (7) When the Company acquires real property or right-of-use assets from a related party, if there is other evidence indicating that the transaction is not in line with business practice, the Company shall also proceed in accordance with the provisions of subparagraph 5 of paragraph 3 of this Article.

Article 11: Procedures for Acquiring or Disposing of Intangible Assets or Right-of-Use Assets Thereof or Membership Certificates

1. Evaluation and Operating Procedures

The Company shall handle the acquisition or disposal of intangible assets or right-of-use assets thereof or membership certificates in accordance with the Company's regulations.

2. Decision-making Procedures for Transaction Conditions and Authorization Limits

When the Company acquires or disposes of assets that should be approved by the Board of Directors according to the established handling procedures or other legal regulations, the opinions of each Independent Director shall be fully considered, and their consent or objection along with the reasons shall be recorded in the meeting minutes.

### 3. Implementation Unit

When the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership certificates, after obtaining approval according to the approval authority in the preceding paragraph, the user department and Finance Department or Administrative Department shall be responsible for implementation.

### 4. Expert Evaluation Opinion Reports for Intangible Assets or Right-of-Use Assets Thereof or Membership Certificates

Where the transaction amount of acquiring or disposing of intangible assets or right-of-use assets thereof or membership certificates reaches 20% or more of the company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence to render an opinion on the reasonableness of the transaction price.

#### Article 11-1:

Article 8, 9, and 11 transaction amount calculations shall be conducted in accordance with Article 15, Paragraph 1, Subparagraph 5. The term "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, calculated retrospectively. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Regulations need not be counted toward the transaction amount.

#### Article 12: Procedures for Acquisition or Disposal of Claims against Financial Institutions

In principle, the Company does not engage in transactions involving acquisition or disposal of claims against financial institutions. If the Company wishes to engage in such transactions in the future, it will submit the matter to the Board of Directors for approval before establishing evaluation and operating procedures.

#### Article 13: Procedures for Acquisition or Disposal of Derivatives

##### 1. Trading Principles and Guidelines

##### (1) Types of Transactions

1. The derivative financial instruments engaged in by the Company refer to forward contracts, option contracts, futures contracts, leverage margin contracts, swap contracts, combinations of the

aforementioned contracts, or structured products with embedded derivatives whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables.

2. The forward contracts referred to in these Procedures do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sales) contracts.
3. Matters related to debt margin transactions shall be handled in accordance with the relevant provisions of these Procedures. Bonds transactions with repurchase conditions may be exempted from these Procedures.

## (2) Management (Hedging) Strategies

The Company's derivative financial instrument transactions should be conducted for hedging purposes, and the trading products should primarily be selected to mitigate risks arising from the Company's business operations. The currencies held must match the foreign currency requirements of the Company's actual import and export transactions. The principle is to offset the Company's overall internal positions (referring to foreign currency income and expenditures) by itself, thereby reducing the Company's overall foreign exchange risk. And to save foreign exchange operational costs. The counterparties should be selected, whenever possible, from banks that have regular business relationships with the Company to avoid credit risk. Foreign exchange operations must clearly define whether they are for hedging transactions or financial transactions, to serve as the basis for accounting entries.

## (3) Division of Responsibilities

### 1. Finance Department

- (1) Capture market information, assess trends and risks, familiarize with financial products and their related regulations and operational techniques, and engage in transactions according to the instructions and authorization of responsible supervisors to hedge against market price fluctuation risks.
- (2) Conduct regular evaluations.
- (3) Provide information on risk exposure positions.

- (4) Measurement, supervision, and control of transaction risks.
- (5) Make declarations and announcements in accordance with the regulations of the Securities and Exchange Act.

2. Accounting Department

- (1) Responsible for transaction confirmation, settlement, and entry of details.
- (2) Record transactions and prepare financial statements according to generally accepted accounting principles.

3. Authorization Limits and Levels for Derivative Products:

A. Hedging Transactions:

The authorization limit and level for each transaction are as follows:

Approving Authority	Authorization Limit for Each Transaction
Finance and Accounting Manager	USD 500,000
President	USD 1,000,000
Chairman	Over USD 1,000,000

B. Other specific purpose transactions can only be conducted after being submitted to and approved by the Board of Directors.

C. When the Company acquires or disposes of assets that require approval from the Board of Directors according to the prescribed handling procedures or other legal regulations, the opinions of each independent director shall be fully considered, and their consent or objection, along with the reasons, shall be recorded in the meeting minutes.

4. Audit Department

Responsible for understanding the adequacy of internal controls for derivative product transactions and checking the trading department's compliance with operational procedures, as well as analyzing transaction cycles, preparing audit reports, and reporting to the Board of Directors when significant deficiencies are found.

5. Performance Evaluation

(1) Hedging Transactions

A. The performance evaluation is based on the profit and loss generated

between the exchange rate cost on the Company's books and the derivative financial transactions undertaken.

B. In order to fully grasp and express the valuation risks of transactions, the Company adopts a monthly settlement evaluation method to assess profits and losses.

C. The Finance Department should provide foreign exchange position valuation, foreign exchange market trends, and market analysis to the President as a reference for management and guidance.

(2) Specific Purpose Transactions

The actual profit and loss generated serves as the basis for performance assessment, and accounting personnel must regularly prepare position reports to provide reference for management.

6. Determination of Total Contract Amount and Maximum Loss Limit

(1) Total Contract Amount

A. Hedging Transaction Limit

The Finance Department should manage the company's overall position to mitigate transaction risks. The amount for hedging transactions should not exceed two-thirds of the company's overall net position. If it exceeds two-thirds, it should be reported to the Chairman for approval.

B. Specific Purpose Transactions

Based on forecasts of market changes, the Finance Department may formulate strategies as needed, which can only be implemented after approval by the President and Chairman. The total contract amount of the company's specific purpose transactions' net accumulated position shall not exceed two percent of the paid-in capital. Any amount exceeding the above limit requires the approval of the Board of Directors and can only be executed according to policy directives.

(2) Determination of Maximum Loss Limit for All and Individual Contracts

When losses from derivative transactions reach five percent of an individual contract amount or when total contract losses reach one percent of the paid-in capital, settlement should be executed immediately.

2. Risk Management Measures

(1) Credit Risk Management

Based on market fluctuations due to various factors, which easily cause operational risks in derivative financial products, market risk management should follow these principles:

1. Trading counterparties: Primarily well-known domestic and foreign financial institutions.
2. Trading products: Limited to products provided by well-known domestic and foreign financial institutions.

(2) Market Risk Management

Primarily using the public foreign exchange trading markets provided by banks, futures markets are not currently being considered.

(3) Liquidity Risk Management

To ensure market liquidity, when selecting financial products, priority is given to those with higher liquidity (i.e., those that can be squared off in the market at any time). The financial institutions entrusted with transactions must have sufficient information and the ability to conduct transactions in any market at any time.

(4) Cash Flow Risk Management

To ensure the stability of the company's operating capital turnover, the funds used by the Company for derivative product transactions are limited to its own funds, and the operating amount should consider the funding requirements based on cash flow forecasts for the next three months.

(5) Operational Risk Management

1. Should strictly comply with the company's authorized limits, operational procedures, and be included in internal audits to avoid operational risks.
2. Personnel engaged in derivative product transactions and those responsible for confirmation, settlement, and other operations must not concurrently hold multiple positions.
3. Personnel responsible for risk measurement, supervision, and control should belong to departments different from those mentioned in the preceding paragraph, and should report to the Board of Directors or senior executives who do not have responsibility for trading or position decisions.

(6) Product Risk Management

Internal trading personnel should possess complete and accurate professional knowledge of financial products, and require banks to

fully disclose risks, in order to avoid the risks of misusing financial products.

(7) Legal Risk Management

Documents signed with financial institutions should be reviewed by specialized personnel from foreign exchange and legal departments or legal consultants before being formally signed, in order to avoid legal risks.

3. Internal Audit System

(1) Internal auditors should regularly understand the adequacy of internal controls for derivative product transactions, and conduct monthly checks on the trading department's compliance with the procedures for derivative product transactions, analyze transaction cycles, and prepare audit reports. If significant violations are discovered, independent directors should be notified in writing.

(2) In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the audit reports mentioned in the preceding paragraph and the improvement status of abnormal matters shall be reported to the competent authority for reference in the prescribed manner and time.

4. Methods of Regular Evaluation

(I) The Board of Directors should authorize senior executives to regularly monitor and evaluate whether derivative product transactions are conducted in accordance with the company's established trading procedures, and whether the risks assumed are within the permissible range. When there are abnormalities in the market value evaluation report (such as when the held position has exceeded the loss limit), they should immediately report to the Board of Directors and adopt corresponding measures.

(II) Positions held in derivative product transactions should be evaluated at least once a week; however, hedging transactions conducted for business needs should be evaluated at least twice a month. The evaluation reports should be submitted to the senior executives authorized by the Board of Directors.

5. Principles of Board Supervision and Management for Derivative Transactions

(1) The Board of Directors should designate senior executives to constantly monitor and control the risks of derivative transactions. Their management principles are as follows:

1. Regularly evaluate whether the current risk management measures are appropriate and ensure that they are handled in accordance with these guidelines and the company's established procedures for engaging in derivative product transactions.
  2. Supervise trading and loss situations. When abnormal situations are discovered, necessary countermeasures should be taken and immediately reported to the Board of Directors. If the company has appointed independent directors, independent directors should be present at the Board meeting and express their opinions.
- (2) Regularly evaluate whether the performance of derivative transactions complies with the established business strategy and whether the risks assumed are within the company's acceptable range.
  - (3) When the company engages in derivative product transactions, relevant personnel authorized according to the established procedures for derivative product transactions should report to the Board of Directors afterward.
  - (4) When the company engages in derivative product transactions, it should establish a reference book to record in detail the types of derivative product transactions, amounts, dates of Board approval, and matters that should be carefully evaluated according to Item 4, Subparagraph (2) and Item 5, Subparagraphs (1) and (2) of this Article for future reference.

Article 14: Procedures for Handling Mergers, Demergers, Acquisitions, or Share Transfers

1. Evaluation and Operating Procedures

- (1) When the Company proceeds with a merger, demerger, acquisition, or share transfer, it is advisable to engage lawyers, accountants, and underwriters to jointly develop a statutory process timeline and form a project team to execute the process according to legal procedures. Before convening a board meeting for resolution, the Company shall engage accountants, lawyers, or securities underwriters to provide opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders, and submit these opinions to the board of directors for discussion and approval.
- (2) The Company shall prepare public documents for shareholders containing the important terms and related matters of the merger, demerger, or acquisition before the shareholders' meeting, and deliver these documents to shareholders together with the expert opinions mentioned in the preceding paragraph and the notice of the

shareholders' meeting, to serve as reference for deciding whether to approve the merger, demerger, or acquisition. However, this requirement does not apply when, according to other laws, the shareholders' meeting is not required to resolve on matters of merger, demerger, or acquisition. Furthermore, if any shareholders' meeting of the companies participating in the merger, demerger, or acquisition cannot be convened, fails to pass a resolution due to lack of a quorum, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public announcement explaining the reason for the occurrence, subsequent handling operations, and the expected date for convening a shareholders' meeting.

## 2. Other Matters Requiring Attention

- (1) Board Meeting Date: Companies participating in a merger, demerger, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters related to the merger, demerger, or acquisition, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Financial Supervisory Commission in advance.

Companies participating in a share transfer shall convene their board meetings on the same day, unless otherwise stipulated by other laws or when special factors have been reported to and approved by the Financial Supervisory Commission in advance.

When participating in a merger, demerger, acquisition, or share transfer, the Company, as a listed company or a company whose shares are traded at securities firms' business premises, shall prepare complete written records of the following information and retain them for five years for checking:

1. Basic personnel information: Including all individuals involved in the merger, demerger, acquisition, or share transfer plan or the execution of the plan before the information becomes public, including their job titles, names, and national ID numbers (or passport numbers for foreigners).
2. Important dates: Including the dates of signing letters of intent or memoranda, engaging financial or legal advisors, signing contracts, and holding board meetings.
3. Important documents and meeting minutes: Including merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda, important contracts, and board meeting minutes.

When participating in a merger, demerger, acquisition, or share transfer, the Company, as a listed company or a company whose shares are traded at securities firms' business premises, shall, within two days from the date of the board resolution, report the information in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission of the Executive Yuan for reference in the prescribed format through the Internet information system.

If any of the companies participating in a merger, demerger, acquisition, or share transfer is not a listed company or a company whose shares are traded at securities firms' business premises, the Company, being a listed company or a company whose shares are traded at securities firms' business premises, shall sign an agreement with such company and handle the matter in accordance with the provisions of paragraphs 3 and 4.

- (2) Prior Confidentiality Commitment: All persons participating in or knowing about the company's merger, demerger, acquisition, or share transfer plan shall issue a written confidentiality commitment, stating that they will not disclose the contents of the plan externally before the information is made public, nor shall they trade in the stocks and other equity-type securities of all companies related to the merger, demerger, acquisition, or share transfer case in their own name or under the name of others.
- (3) Principles for Determining and Changing the Share Exchange Ratio or Acquisition Price: Companies participating in a merger, demerger, acquisition, or share transfer shall, prior to their respective board meetings, engage accountants, lawyers, or securities underwriters to express opinions on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders, and submit these opinions to the shareholders' meeting. In principle, the share exchange ratio or acquisition price shall not be arbitrarily changed, except where conditions for change have been stipulated in the contract and publicly disclosed. Conditions under which the share exchange ratio or acquisition price may be changed are as follows:
  1. Carrying out cash capital increase, issuing convertible corporate bonds, distributing stock dividends, issuing corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.
  2. Actions affecting the company's financial and business operations, such as the disposal of major company assets.
  3. Occurrence of major disasters, significant technological changes, or

- other events affecting shareholders' equity or securities prices.
4. Adjustments due to the legal repurchase of treasury shares by any party participating in the merger, demerger, acquisition, or share transfer.
  5. Changes in the number of entities or subjects participating in the merger, demerger, acquisition, or share transfer.
  6. Other conditions stipulated in the contract that allow for changes and have been publicly disclosed.
- (4) Contract Content Requirements: The contract for merger, demerger, acquisition, or share transfer shall, in addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, also specify the following matters:
1. Handling of breaches of contract.
  2. Principles for handling equity securities previously issued or treasury shares repurchased by companies that will be dissolved in a merger or split in a demerger.
  3. The number of treasury shares that the participating companies may legally buy back after the base date for calculating the share exchange ratio and the principles for handling them.
  4. The handling method for any increase or decrease in the number of participating entities or participants.
  5. The expected implementation schedule and completion date of the plan.
  6. If the plan is not completed by the deadline, the procedures related to the scheduled date for convening the shareholders' meeting as required by law.
- (5) Changes in the Number of Companies Participating in Merger, Demerger, Acquisition, or Share Transfer: After information has been publicly disclosed, if any company participating in a merger, demerger, acquisition, or share transfer intends to further engage in a merger, demerger, acquisition, or share transfer with another company, unless the number of participants decreases and the shareholders' meeting has resolved and authorized the board of directors to make changes, all participating companies shall repeat the procedures or legal actions already completed in the original merger, demerger, acquisition, or share transfer case.
- (6) If a company participating in a merger, demerger, acquisition, or share transfer is not a public company, the Company shall enter into an

agreement with it and comply with the provisions regarding the date of the board meeting as specified in subparagraph (1) of paragraph 2 of this Article, the confidentiality commitment prior to disclosure as specified in subparagraph (2), and the regulations on changes in the number of companies participating in the merger, demerger, acquisition, or share transfer as specified in subparagraph (5).

## Article 15: Information Disclosure Procedures

### 1. Items Required for Public Announcement and Reporting Standards

- (1) Acquisition or disposal of real property or right-of-use assets thereof from a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements.
- (2) Engaging in a merger, demerger, acquisition, or share transfer.
- (3) Losses from derivatives trading reaching the maximum loss limit for all or individual contracts as specified in the handling procedures.
- (4) Asset transactions, disposal of receivables by financial institutions, or investments in Mainland China other than those mentioned in the preceding three subparagraphs where the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded:
  1. Trading of government bonds.
  2. Securities trading by investment professionals on domestic or foreign securities exchanges or over-the-counter markets.
  3. Trading of bonds with repurchase or resale agreements.
  4. Acquisition or disposal of equipment or right-of-use assets thereof held for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
  5. Where the Company engages in construction business, acquires or disposes of real estate or right-of-use assets thereof held for construction use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
  6. Acquisition of real estate through self-construction on owned land, self-construction on leased land, joint construction and allocation of

housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.

(5) The calculation of transaction amounts referred to in the preceding Paragraph 4 is conducted as follows, and "within one year" refers to the one-year period preceding the date of occurrence of the current transaction, based on amounts already publicly announced and need not be entered again.

1. The amount of each transaction.
2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same counterparty within one year.
3. The amount of acquisition or disposal (accumulated separately for acquisition and disposal) of real estate or right-of-use assets thereof under the same development project within one year.
4. The amount of acquisition or disposal (accumulated separately for acquisition and disposal) of the same security within one year.

2. Time Limits for Public Announcement and Reporting

Where the Company acquires or disposes of assets, and the transaction is subject to the public announcement requirements of Paragraph 1 of this Article and the transaction amount reaches the standards requiring public announcement and reporting under this Article, the Company shall make a public announcement and report within two days counting from the date of occurrence of the event.

3. Public Announcement and Reporting Procedures

- (1) The Company shall publicly announce and report the relevant information on the website designated by the Securities and Futures Bureau of the Financial Supervisory Commission.
- (2) The Company shall, by the 10th day of each month, enter the status of derivative transactions engaged in by the Company and its subsidiaries that are not domestic public companies up to the end of the previous month into the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission, in the prescribed format.
- (3) When the Company is required to make a public announcement on designated items and there are errors or omissions in the announcement

that need to be corrected, all items shall be publicly announced and reported again.

- (4) When the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and opinions from certified public accountants, attorneys, or securities underwriters at the Company. Unless otherwise provided by law, these documents shall be retained for at least five years.
- (5) After the Company publicly announces and reports a transaction in accordance with the preceding Article, if any of the following circumstances occurs, the Company shall publicly announce and report the relevant information on the website designated by the Securities and Futures Bureau of the Financial Supervisory Commission within two days counting from the date of occurrence of the event:
  1. The original transaction's related contract has been changed, terminated, or dissolved.
  2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date specified in the contract.
  3. The content of the original public announcement and report has changed.

Article 16: The Company's subsidiaries shall comply with the following provisions:

1. Subsidiaries shall also establish "Procedures for Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
2. For subsidiaries that are not public companies, if their acquisition or disposal of assets reaches the threshold requiring public announcement and reporting as stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the parent company shall also handle the public announcement and reporting on behalf of such subsidiaries.
3. In the public announcement and reporting standards for subsidiaries, the phrase "reaching 20% of the company's paid-in capital or 10% of total assets" shall be based on the paid-in capital or total assets of the parent company (the Company).

Article 17: Penalties

The Company's employees who handle the acquisition and disposal of assets in violation of these Procedures shall be regularly reported for evaluation in

accordance with the Company's personnel management regulations and employee handbook, and shall be penalized according to the severity of the circumstances.

Article 18: Implementation and Amendments

The Company's "Procedures for Acquisition or Disposal of Assets" shall be approved by more than one-half of all Audit Committee members, and then submitted to the Board of Directors for resolution before being submitted to the shareholders' meeting for approval. The same applies when making amendments.

If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Article 19: Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the Company's relevant policies.

## **【Appendix 5】**

### **United Orthopedic Corporation Procedures for Lending Funds to Other Parties**

#### **Article 1: Purpose and Legal Basis**

In accordance with actual operational needs, when the Company needs to lend funds to other companies (hereinafter referred to as "borrowers"), it must comply with these Procedures. These Procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued on December 18, 2002, under document number Taiwan-Finance-Securities-VI-0910161919. If there are matters not covered in these Procedures, they shall be handled in accordance with relevant laws and regulations.

#### **Article 2: Eligible Borrowers and Evaluation Standards**

According to the Company Act, the Company's funds shall not be lent to shareholders or any other person except in the following circumstances:

- (1) Companies or firms that have business relationships with the Company; the aforementioned "business relationships" refers to entities that engage in purchasing or sales activities with the Company.
- (2) Companies or firms that have a need for short-term financing; this is limited to companies or firms in which the Company holds 20% or more shares and which have a need for short-term financing due to business requirements. The aforementioned "short-term" refers to a period of one year or one operating cycle (whichever is longer), according to the interpretation of the Ministry of Economic Affairs. The financing amount refers to the accumulated balance of the Company's short-term financing funds.

#### **Article 3: Total Amount of Fund Lending and Limit for Individual Borrowers**

The total financing amount shall not exceed 30% of the lending enterprise's paid-in capital, and can be further divided into the following two situations.

- (1) For lending funds to companies or firms with which the Company has business relations, the total lending amount shall not exceed 30% of the Company's paid-in capital; the individual lending amount shall not exceed the amount of business transactions between the two parties in the most

recent year. The term "business transaction amount" refers to the higher of the purchase or sales amount between the two parties.

- (2) For lending funds to companies or firms that have necessary short-term financing requirements, the total lending amount shall not exceed 1% of the Company's paid-in capital; the individual lending amount shall not exceed NT\$1 million.

When lending funds to others, the opinions of each independent director should be fully considered. If an independent director expresses any objection or reservation, it shall be recorded in the minutes of the board meeting.

Where an Audit Committee has been established, the formulation or amendment of the operating procedures for lending funds to others shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for resolution, and the provisions of paragraph 2 shall not apply.

If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

The terms "all Audit Committee members" as used in paragraph 4 and "all directors" as used in the preceding paragraph shall be calculated based on the actual number of persons currently holding those positions.

#### Article 4: Lending Period and Interest Calculation Method

- (1) The principle is that each loan shall not exceed one year from the date of lending. However, for companies or firms with business relationships that have operational needs, the lending period may be extended according to actual needs with the approval of the Board of Directors.
- (2) The lending interest rate shall not be lower than the highest interest rate at which the Company borrows short-term loans from financial institutions. However, the Board of Directors may adjust as needed.
- (3) Unless otherwise specifically stipulated, the principle is that interest on loans shall be paid once a month, and the borrower shall be notified one week before the agreed interest payment date to pay the interest on time.

#### Article 5: Processing and Review Procedures

- (1) When the Company handles fund lending matters, the borrower shall first provide necessary company information and financial data to apply for financing limits from the Company in writing.

- (2) After receiving the application, the Finance Department shall investigate and evaluate the borrower's business operations, financial condition, debt repayment ability and creditworthiness, profitability, and purpose of the loan, and prepare a report accordingly.
- (3) The Finance Department shall conduct a detailed investigation and evaluation of the fund lending target, and the evaluation items shall at least include:
  1. The necessity and reasonableness of lending funds to others.
  2. Whether the accumulated amount of funds lent to others is still within the limit.
  3. The impact on the company's operational risk, financial status, and shareholders' equity.
  4. Whether collateral should be obtained and the assessed value of the collateral.
  5. Attach the credit investigation and risk assessment records of the fund lending target.
- (4) When the Company processes fund lending matters, it shall obtain a promissory note of equal amount as collateral if necessary, and when required, establish a pledge or mortgage on movable or immovable property. For the aforementioned debt security, if the debtor provides individuals or companies with substantial financial capacity and credit as guarantors instead of providing collateral, the Board of Directors may process this with reference to the credit investigation report from the finance department. When a company serves as a guarantor, attention should be paid to whether its articles of incorporation include provisions allowing it to act as a guarantor.
- (5) For cases with good credit investigation results, good credit rating, and legitimate borrowing purposes, the handling personnel should submit the credit investigation report, opinions, and proposed lending conditions in sequence to the financial manager, and then submit them to the Board of Directors for resolution and approval before lending can be made.
- (6) Fund lending between the Company and its subsidiaries shall be submitted to the Board of Directors for resolution in accordance with the preceding paragraph, and the Chairman may be authorized to make multiple disbursements or revolving use of funds to the same lending target within a certain amount resolved by the Board of Directors and for a period not exceeding one year.

- (7) The term "certain amount" mentioned in the preceding paragraph refers to the authorized lending limit. Except for fund lending between foreign companies in which the Company directly and indirectly holds 100% of the voting shares, where the authorized amount is not restricted, the Company's authorized amount for fund lending to a single enterprise shall not exceed 10% of the Company's net worth as shown in its latest financial statements. The term "net worth" refers to the equity attributable to the owners of the parent company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (8) When fund lending is conducted between foreign companies in which the Company directly and indirectly holds 100% of the voting shares as mentioned in the preceding paragraph, the limits and terms of fund lending shall still be established in accordance with the regulations.

Article 6: Subsequent Control Measures for Loaned Amounts and Procedures for Handling Overdue Debts:

1. After the loan has been disbursed, the Company should regularly monitor the financial, business, and credit conditions of the borrower and guarantor. If collateral has been provided, attention should also be paid to any changes in the value of such collateral. In case of significant changes, the Chairman should be notified immediately, and appropriate actions should be taken according to instructions.
2. When the borrower repays the loan at or before maturity, the interest payable should be calculated first. Only after both the interest and principal have been fully repaid can the promissory note be canceled and returned to the borrower or the mortgage be released.
3. Extension

When a borrower needs to extend the loan before its maturity, they should apply for an extension and renewal two months before the loan due date. The Company shall then submit the request to the Board of Directors for approval, after which the relevant procedures will be reprocessed.

Article 7: Internal Control Procedures:

1. When the Company engages in lending funds, it shall establish a reference book to record in detail the borrowers, amounts, dates of approval by the Board of Directors, lending dates, and matters that should be carefully evaluated according to this Operating Procedure.

2. The Company's internal auditors shall audit the fund lending procedures and their implementation at least quarterly and prepare written records. If any significant violations are found, they shall immediately notify each independent director in writing.
3. If the Company's lending balance exceeds the limit due to changes in circumstances, an improvement plan shall be established and submitted to each independent director to strengthen the Company's internal control.
4. The responsible staff shall compile a detailed statement of funds lent to other companies for the previous month before the 8th day of each month, and submit it for review through the proper chain of command.

Article 8: Control Procedures for Subsidiaries Lending Funds to Others

1. If a subsidiary of the Company intends to lend funds to others, it shall also establish these operational procedures and handle such matters in accordance with these procedures; however, the net worth shall be calculated based on the subsidiary's net worth.
2. Subsidiaries shall prepare a detailed statement of funds lent to other companies for the previous month before the 5th day (exclusive) of each month, and submit it to the Company for review.
3. The internal audit personnel of subsidiaries shall also audit the operational procedures for lending funds to others and their implementation at least quarterly, and make written records. If any significant violations are discovered, they shall immediately notify the Company's audit unit in writing. The Company's audit unit shall submit the written materials to each independent director.
4. When the Company's audit personnel conduct audits at subsidiaries according to the annual audit plan, they shall simultaneously understand the implementation of the subsidiaries' operational procedures for lending funds to others. If any deficiencies are found, they shall continuously follow up on the improvement status and prepare a follow-up report to be submitted to the President (or the Chairman, depending on which unit the audit department directly reports to).

Article 9: Information Disclosure (After Public Offering)

1. The Company shall, by the 10th of each month, enter the balance of funds lent by the Company and its subsidiaries in the previous month into the Market Observation Post System.

2. When the balance of funds lent by the Company reaches one of the following standards, it shall be entered into the Market Observation Post System within two days from the date of occurrence:

- (1) The balance of funds lent by the Company and its subsidiaries to others reaches 20% or more of the net worth in the Company's most recent financial statements.
- (2) The balance of funds lent by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net worth in the Company's most recent financial statements.
- (3) The Company or its subsidiaries newly lend funds in an amount of NT\$10 million or more and reaching 2% or more of the net worth in the Company's most recent financial statements.

The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever comes first.

3. If a subsidiary of the Company is not a domestic public company and the subsidiary has matters that should be announced and reported as mentioned in subparagraph 3 of the preceding paragraph, such announcement and reporting shall be made by the Company.
4. The Company shall evaluate the fund lending situation and make adequate provision for bad debts, appropriately disclose relevant information in financial reports, and provide relevant data to the certifying accountant to perform necessary audit procedures.

#### Article 10: Penalties

The Company's managers and responsible personnel shall be punished according to the severity of the circumstances in accordance with the Company's regulations when they violate these Operational Procedures.

#### Article 11: Implementation and Amendment

These Procedures shall be approved by more than half of all Audit Committee members, submitted to the Board of Directors for resolution, and then implemented after being approved by the shareholders' meeting; the same shall apply when amendments are made.

If the matter in the preceding paragraph is not approved by more than half of all members of the Audit Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

## **【Appendix 6】**

### **United Orthopedic Corporation Endorsement and Guarantee Operational Procedures**

#### **Article 1: Purpose**

In order to provide guidelines for matters related to external endorsements and guarantees by the Company, these Procedures are hereby established. If there are any matters not covered in these Procedures, they shall be handled in accordance with the provisions of relevant laws and regulations.

#### **Article 2: Scope of Application**

The endorsements and guarantees referred to in these Procedures include:

1. Financing endorsements and guarantees, which refer to discounting of customer's notes for financing, endorsements or guarantees made for the purpose of financing other companies, and the issuance of separate negotiable instruments to non-financial enterprises as security for the Company's own financing purposes.
2. Customs duty endorsements and guarantees, which refer to endorsements or guarantees made for the Company or other companies regarding customs duty matters.
3. Other endorsements and guarantees, which refer to endorsements or guarantees that cannot be classified under the preceding two categories.
4. The Company's provision of movable or immovable property as collateral by establishing pledges or mortgages for other companies' loans shall also be handled in accordance with the provisions of these Procedures.

#### **Article 3: Targets of Endorsements and Guarantees**

The Company may provide endorsements and guarantees to the following companies:

- (1) Companies with which the Company has business relations.
- (2) Companies in which the Company directly and indirectly holds more than fifty percent of the voting shares.
- (3) Companies that directly and indirectly hold more than fifty percent of the

voting shares in the Company.

Companies in which the Company directly and indirectly holds ninety percent or more of the voting shares may provide endorsements and guarantees for each other, and the amount shall not exceed ten percent of the Company's net worth. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.

#### Article 4: Limits on Endorsements and Guarantees

The amount of external endorsements and guarantees provided by the Company shall not exceed fifty percent of the Company's paid-in capital. Of which, the limit of endorsements and guarantees for a single enterprise shall not exceed thirty percent of the Company's paid-in capital. However, when the Company needs to exceed the limits set forth in the Endorsement and Guarantee Procedures due to business requirements, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees for the possible losses that may arise from the Company exceeding the limits.

The total amount of external endorsements and guarantees that may be provided by the Company and its subsidiaries as a whole shall not exceed sixty percent of the Company's paid-in capital. Of which, the limit of endorsements and guarantees for a single enterprise shall not exceed forty percent of the Company's paid-in capital.

#### Article 5: Decision-Making and Authorization Levels

When the Company engages in endorsements or guarantees, the handling department shall submit a proposal for approval by the Board of Directors. However, the Board of Directors may authorize the Chairman to make decisions, which will then be reported to the Board of Directors for ratification, and the relevant circumstances shall be reported to the shareholders' meeting for reference.

Before subsidiaries in which the Company directly and indirectly holds 90% or more of the voting shares provide endorsements or guarantees in accordance with Article 3, Paragraph 2, the matter must be submitted to the Company's Board of Directors for resolution before proceeding. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds one hundred percent of the voting shares.

When the Company needs to exceed the endorsement or guarantee limits

stipulated in Article 4 of these Procedures due to business requirements, it shall obtain the approval of the Board of Directors, and more than half of the directors shall provide joint guarantees before proceeding. These Procedures shall be amended accordingly and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve, the Company shall establish a plan to eliminate the excess portion within a specified period.

When the Company has established independent directors, it shall fully consider the opinions of each independent director when providing endorsements or guarantees for others. and their explicit opinions of consent or objection, as well as the reasons for objection, should be recorded in the minutes of the Board meeting.

Article 6: Procedures for Handling Endorsements and Guarantees

1. When the Company processes endorsement and guarantee matters, the company to be endorsed or guaranteed shall issue an application to the Company's finance department. The finance department shall conduct a credit investigation on the company to be endorsed or guaranteed, evaluate its risk and make an assessment record. After the review is approved, it shall be submitted to the President for approval. When necessary, collateral shall be obtained.
2. The assessment items by the finance department regarding the company to be endorsed or guaranteed include:
  1. The necessity and reasonableness of the endorsement or guarantee.
  2. Whether the accumulated endorsement or guarantee amount is still within the limit.
  3. For endorsements or guarantees due to business relationships, the finance department shall evaluate whether the amount of endorsement or guarantee is within the limit of the business transaction amount.
  4. The impact on the Company's operational risks, financial status, and shareholders' equity.
  5. Whether collateral should be obtained and the assessed value of the collateral.
  6. Attach the credit investigation and risk assessment records of the endorsement or guarantee.
  7. If the company receiving the endorsement or guarantee is a subsidiary with a net worth less than half of its paid-in capital, its financial statements shall be obtained monthly to control the risks that may arise

from the endorsement or guarantee.

For a subsidiary with no par value shares or with a par value per share not at NT\$10, the paid-in capital amount calculated according to the preceding paragraph shall be the sum of the share capital plus the capital surplus - premium on share capital.

3. If, due to changed circumstances, the endorsement or guarantee recipient who originally conformed to Article 2 of these Guidelines no longer meets the requirements, or if the amount of endorsement or guarantee exceeds the prescribed limit due to changes in the calculation basis, the amount of endorsement or guarantee to that recipient or the excess portion shall be eliminated when the contract expires, or the finance department shall establish a plan that, after approval by the President, will eliminate the entire amount within a certain time period, and report to the Board of Directors.

Article 7: Seal Custody and Procedures

1. The dedicated seal for endorsements and guarantees shall be the company seal registered with the Ministry of Economic Affairs. The seal and guarantee notes shall be kept by designated persons separately, and shall only be used or issued in accordance with the company's specified operating procedures. The seal custodian shall be appointed by the Chairman as authorized by the Board of Directors.
2. When providing guarantees for foreign companies, the guarantee letter issued by the company shall be signed by the Chairman as authorized by the Board of Directors.

Article 8: Matters to Note When Processing Endorsements and Guarantees:

1. If due to changes in circumstances, the endorsement and guarantee recipient originally complied with Article 3 of these Procedures but subsequently no longer complies, or if the amount of endorsement and guarantee exceeds the limit set forth in Article 4 due to changes in the basis for calculating the limit, the audit unit shall urge the Finance Department to eliminate all of the endorsed and guaranteed amount for such recipient or the exceeding portion either upon the expiration of the contract or within a specific period. The improvement plan shall be submitted to each independent director and reported to the Board of Directors.
2. When the Company needs to exceed the limits set forth in these Procedures for endorsements and guarantees due to business requirements, and such action complies with the conditions stipulated in these Procedures, it must be approved by the Board of Directors, and more than half of the directors

must jointly guarantee the potential losses that may be incurred by the Company due to the excess. These Procedures shall also be amended and submitted to the shareholders' meeting for retroactive approval. If the shareholders' meeting does not approve, a plan shall be established to eliminate the excess portion within a specific period. When the Company has appointed independent directors, during the Board discussion mentioned in the preceding paragraph, the opinions of each independent director shall be fully considered, and their explicit opinions of approval or objection, along with the reasons for objection, shall be recorded in the Board meeting minutes.

Article 9: Time Limits and Content for Public Announcement and Reporting. (After public issuance)

1. The Company shall, before the 10th day of each month, input the previous month's balance of endorsements and guarantees made by the Company and its subsidiaries into the Market Observation Post System.
2. When the Company's endorsements and guarantees reach one of the following criteria, the information shall be input into the Market Observation Post System within two days counting from the date of occurrence:
  1. The balance of endorsements and guarantees made by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statements.
  2. The balance of endorsements and guarantees made by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statements.
  3. The balance of endorsements and guarantees made by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the aggregate amount of endorsements and guarantees, the carrying amount of investments accounted for using the equity method, and the balance of loans extended to such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.
  4. The amount of new endorsements and guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statements.

The term "date of occurrence" refers to the date of contract signing, date of payment, date of board resolution, or other date that can determine the counterparty and monetary amount of the transaction, whichever

comes first.

3. Where a subsidiary of the Company is not a domestic public company, and the subsidiary has matters specified in the preceding paragraph, subparagraph 4 that should be input into the Market Observation Post System, the Company shall handle the input on behalf of the subsidiary.
4. The Company shall evaluate or recognize contingent losses from endorsements and guarantees, appropriately disclose relevant information in financial reports, and provide relevant materials to the certified public accountants to perform necessary audit procedures.

Article 10: Control Procedures for Endorsements and Guarantees Made by Subsidiaries

1. If a subsidiary of the Company intends to make endorsements or guarantees for others, it shall also establish these Operational Procedures and handle such matters in accordance with these Procedures; however, the net worth shall be calculated based on the subsidiary's net worth.
2. Subsidiaries shall compile a detailed statement of endorsements and guarantees made for others in the previous month before the 10th day (not inclusive) of each month, and submit it to the Company for review.
3. When the Company's auditors conduct inspections at subsidiaries according to the annual audit plan, they shall also understand the implementation of the subsidiaries' operational procedures for endorsements and guarantees for others. If any deficiencies are found, they shall continuously follow up on the improvement status and prepare a follow-up report to be submitted to the Chairman (or the President, depending on which unit the audit department directly reports to).

Article 11: Penalties

The Company's managers and responsible personnel who violate these Operational Procedures shall be reported for evaluation in accordance with the Company's personnel management regulations and employee handbook, and shall be subject to penalties according to the severity of the circumstances.

Article 12: Implementation and Amendments

These Procedures shall be approved by more than half of all Audit Committee members, submitted to the Board of Directors for resolution, and then implemented after being approved by the shareholders' meeting; the same shall apply when amendments are made.

If the preceding paragraph is not approved by more than one-half of all Audit Committee members, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

The terms "all Audit Committee members" in the preceding two paragraphs and "all directors" in the preceding paragraph refer to those who are actually in office.

## 【Appendix 7】

### **United Orthopedic Corporation Director Election Procedures**

Article 1: These procedures are established in accordance with Article 21 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to ensure a fair, just, and open election of directors.

Article 2: The election of directors of the Company shall be conducted in accordance with the Company's Director Election Regulations and these procedures, unless otherwise provided by laws, regulations, or the Articles of Incorporation.

Article 3: The election of directors of the Company shall take into consideration the overall composition of the Board of Directors.

Board members shall generally possess the knowledge, skills, and attributes necessary to perform their duties, and the overall capabilities they should possess are as follows:

1. Business determination capability.
2. Accounting and financial analysis capability
3. Operation management capability.
4. Crisis handling capability.
5. Industry knowledge
6. International market vision.
7. Leadership
8. Decision-making capability

More than half of the seats on the Board of Directors shall not be held by directors who have a spousal relationship or are relatives within the second degree of kinship with each other.

Article 4: The qualifications of the Company's independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of the Company's independent directors shall comply with the provisions of Articles 5 and 6 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Article 5: The election of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures stipulated in Article 192-1 of the Company Act.

However, if the vacancies of directors reach one-third of the total number of seats specified in the Articles of Incorporation, the Company shall convene a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election to fill such vacancies.

If the number of independent directors falls below the requirement specified in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall fill the vacancy at the next shareholders' meeting; in the event that all independent directors are dismissed, the Company shall convene a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election to fill such vacancies.

Article 6: The election of the Company's directors shall adopt the cumulative voting method. Each share has voting rights equal to the number of directors to be elected. The votes may be cast for a single candidate or distributed among multiple candidates.

Article 7: The Company shall prepare election ballots equal to the number of directors to be elected, and fill in the number of voting rights for distribution to shareholders attending the shareholders' meeting. The name of the voter may be represented by the attendance card number printed on the ballot.

Article 8: The directors of the Company shall be elected in accordance with the number specified in the Articles of Incorporation. The voting rights for general directors and independent directors shall be calculated separately. The candidates who receive more voting rights shall be elected in sequence according to their respective numbers of votes. In the case where two or more candidates receive the same number of votes, exceeding the specified number of positions, the elected person shall be determined by lot drawing among those who received the same number of votes. The chairperson shall draw lots on behalf of any non-attending candidate.

Article 9: Before the election begins, the chairperson shall appoint several shareholders to serve as vote monitoring personnel and vote counting personnel to perform various relevant duties. The Company shall set up a ballot box, which shall be publicly inspected by the vote monitoring personnel before voting begins.

Article 10: If a candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number in the candidate column of the ballot. If the candidate is not a shareholder, the voter shall fill in the candidate's name and national ID number. However, when the candidate is a government or corporate shareholder, the candidate's account name column on the ballot should be filled with the name of the government or corporate entity, or may be filled with both

the name of the government or corporate entity and the name of its representative. If there are multiple representatives, the names of each representative should be filled in separately.

Article 11: A ballot shall be deemed invalid under any of the following circumstances:

1. Ballot not prepared by the Company.
2. Ballot filled with more candidates than the required number of positions.
3. Ballot containing other text in addition to the candidate's name and their shareholder account number or national ID number.
4. Ballot with handwriting that is too illegible to identify.
5. For candidates who are shareholders, the ballot with name and shareholder account number not matching the shareholder registry; for candidates who are not shareholders, the ballot with name and national ID number that does not match upon verification.
6. Ballot filled with a candidate's name that is identical to another shareholder's name, without providing a shareholder account number or national ID number for identification.
7. Ballot with voting rights that cumulatively exceed the voting rights that the voting shareholder should possess.
8. Casting a blank ballot into the ballot box.

Article 12: The ballots shall be counted immediately after the voting is completed, and the results shall be announced by the chairperson on the spot.

Article 13: The elected directors shall be separately notified of their election by the Company's Board of Directors.

Article 14: These procedures shall be implemented after approval by the shareholders' meeting; the same applies when amendments are made.

**【Appendix 8】**

**United Orthopedic Corporation**

**Directors' Shareholdings**

Base date: 2025.04.19

Title	Name	Elected date	Term	Shares Held on Election		Current number of shares held	
				Common Stocks	Shareholding Ratio	Common Stocks	Shareholding Ratio
				Preference Shares		Preference Shares	
Chairman	Lin, Yan-Sheng	2023.06.16	3 years	2,752,441	3.33%	2,621,441	2.72%
				42,000	0.79%	0	0.00%
Directors	Chun-Sheng Lin	2023.06.16	3 years	1,905,743	2.30%	1,995,743	2.07%
				90,000	1.68%	0	0.00%
Directors	Hau, Hai-Yen	2023.06.16	3 years	698,646	0.84%	763,646	0.79%
				65,000	1.22%	0	0.00%
Directors	Ng Chor Wah Patrick	2023.06.16	3 years	1,470,139	1.78%	1,670,425	1.73%
				130,286	2.44%	0	0.00%
Directors and President	Lin Deqiong	2023.06.16	3 years	1,052,461	1.27%	1,473,461	1.53%
				88,000	1.65%	0	0.00%
Independent Director	Liu, Chien-Lin	2023.06.16	3 years	80,482	0.10%	192,987	0.20%
				107,505	2.01%	0	0.00%
Independent Director	Lee, Kuen-Chang	2023.06.16	3 years	0	0.00%	0	0.00%
				0	0.00%	0	0.00%
Independent Director	WU, MENG-TA	2023.06.16	3 years	0	0.00%	0	0.00%
				0	0.00%	0	0.00%
Independent Director	Chen, Li-Ju	2023.06.16	3 years	0	0.00%	0	0.00%
				0	0.00%	0	0.00%
Total of All directors				7,959,912	9.62%	8,717,703	9.04%
				522,791	9.78%	0	0.00%

1. Stop Transfer Date: April 19, 2025
2. Total number of issued shares: 96,436,704 shares
3. The minimum statutory number of shares held by all directors: 7,714,936 shares.

## **【Appendix 9】**

### Other Matters

The impact of the proposed stock dividend on the company's operating performance, earnings per share, and shareholder investment returns at this shareholders' meeting:

Not applicable.