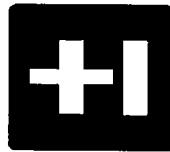


Stock Code: 4104



EXCELSIOR MEDICAL CO., LTD.



**Handbook for the 2019
Annual Meeting of Shareholders**

Meeting Time: June 18, 2019

Place: 3F, No. 631 Zhongzheng Road Zhonghe
District, New Taipei City (RSL Hotel Taipei
Zhonghe, 3F Southeast Hall)

(Where any discrepancy arises between the English translation and the original Chinese version, the Chinese version shall prevail.)

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I. Procedure for the 2019 Annual Meeting of Shareholders

1. Call the meeting to order
2. Chairperson takes chair
3. Chairperson remarks
4. Company reports
5. Proposals
6. Discussions
7. Election matters
8. Other matters
9. Questions and motions
10. Adjournment

II. Annual Shareholders' Meeting Agenda Schedule

Time: 9:00 AM on June 18, 2019

Place: 3F, No. 631 Zhongzheng Road Zhonghe District , New Taipei City
(RSL Hotel Taipei Zhonghe , 3F Southeast Hall)

1. Call the meeting to order
2. Chairperson takes chair
3. Chairperson remarks
4. Company reports
 - (1) 2018 Business report and 2019 business plan.
 - (2) Audit Committee's review report of the 2018 financial statements.
 - (3) 2018 Distribution report of employee compensation and director remuneration.
 - (4) Report on the endorsement and guarantee status.
 - (5) Implementation of Investments in China.
5. Proposals
 - (1) Adoption of the Company's 2018 financial statements.
 - (2) Adoption of the proposal for distribution of 2018 profits.
6. Discussions
 - (1) Amending part of the articles of the Company's "Articles of Incorporation".
 - (2) Amending part of the articles of the Company's "Operational Procedures for Acquisition and Disposal of Assets".
 - (3) Amending part of the articles of the Company's "Operational Procedures for Loaning of Company Funds".
 - (4) Amending part of the articles of the Company's "Operational Procedures for Endorsements and Guarantees".
7. Election matters: Elect the 12th-term directors (including independent directors).
8. Other matters: Release the prohibition on directors from participation in competition businesses.
9. Questions and motions
10. Adjournment

III. Agenda of Annual Meeting of Shareholders

1. Call the meeting to order
2. Chairperson takes chair
3. Chairperson remarks
4. Company reports

- (1) 2018 Business report and 2019 business plan: Please refer to Appendix 4, “Business Report”, at page 28 of this Handbook.
- (2) Audit Committee’s review report of the 2018 financial statements. Please refer to Appendix 5, “Audit Committee’s Review Report”, at page 38 of this Handbook.
- (3) 2018 Distribution report of employee compensation and director remuneration.

Explanation:

As adopted by the Company’s Board of Directors on March 20, 2019, 5% of the Company’s 2018 profits in an amount of NT\$28,831,305 shall be distributed to employees as their compensation, whereas 2.5% of the profits in an amount of NT\$14,415,653 shall be distributed to directors as their remuneration. The preceding amounts shall be distributed in cash. The amounts are the same as the amounts recognized for the 2018 expenses.

- (4) Report on the endorsement and guarantee status

Explanations:

1. The upper limit for the Company’s total endorsement/guarantee amount is based on the net worth of the latest financial statement audited or reviewed by the CPA, the net worth at December 31, 2018 was NT\$6,806,841,000, and the upper limit of endorsement/guarantee for a single enterprise did not exceed the 20% of the net worth.
2. The Company’s endorsement/guarantee amount did not exceed the above limit .
3. The following was the Company’s endorsement status as of December 31, 2018:

Unit: thousand NT dollars

Parent company or subsidiary	Company name of the endorsement/ guarantee provider	Endorsement/ guarantee recipient	Relationship with the endorsement / guarantee recipient	Upper limit of endorsement/ guarantee for a single enterprise	The highest endorsement/ guarantee balance of this period	Ending endorsement/ guarantee balance	Amount actually used	Ratio of accumulated endorsement/ guarantee amount to the net worth of the latest financial statement	Upper limit of the endorsement/ guarantee amount
Parent	Excelsior Medical Co., Ltd.	Excelsior Investment (Malaysia) Co., Ltd.	2	1,361,368	212,520	202,194	—	2.97%	6,806,841
		EG Healthcare, Inc	2	1,361,368	58,060	30,715	—	0.45%	6,806,841
		Bestsmile Co., Ltd.	2	1,361,368	20,000	20,000	10,000	0.29%	6,806,841
		Excelsior Renal Service Co., Limited	1	687,146	—	—	—	—	6,806,841
		Bestchain Healthtaiwan Co., Ltd.	1	1,439,737	910,006	760,000	165,000	11.17%	6,806,841

Parent company or subsidiary	Company name of the endorsement/guarantee provider	Endorsement/guarantee recipient	Relationship with the endorsement / guarantee recipient	Upper limit of endorsement/guarantee for a single enterprise	The highest endorsement/guarantee balance of this period	Ending endorsement/guarantee balance	Amount actually used	Ratio of accumulated endorsement/guarantee amount to the net worth of the latest financial statement	Upper limit of the endorsement/guarantee amount
Subsidiary	Dynamic Medical Technologies Inc.	Dynamic Medical Technologies (Hong Kong) Limited	2	254,249	76,910	58,973	—	4.64%	635,622
Subsidiary	Excelsior Beauty Co., Ltd.	Dynamic Medical Technologies Inc.	3	70,316	520	520	—	0.15%	175,791
Subsidiary	Arich Enterprise Co., Ltd.	Taiwan Shionogi Inc.	1	115,330	—	—	—	—	604,524
Subsidiary	Excelsior Medical (HK) Co., Ltd	SINOEXCELSIOR Investment Incorporation	2	1,259,604	—	—	—	—	1,259,604

Note : The relationships between the endorsement/guarantee provider and endorsement/guarantee recipient are indicated as follows:

1. Trading partner.
2. Majority owned subsidiary.
3. The Company direct and indirect owns over 50% ownership of the investee company.
4. A subsidiary jointly owned over 90% by the Company.
5. Guaranteed by the Company according to the construction contract.
6. An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
7. Joint and several guaranteed by the Company according to the pre-construction contract under Consumer Protection Act.

(5) Implementations of investment in China

Explanation: The Company and its subsidiaries' investments in China, which were approved by the Investment Commission, MOEA and already implemented as of December 31, 2018, are as follows:

Unit: the amounts below are expressed in thousands of NT dollars, unless otherwise stated

Name of the investee	Capital contribution amount	Ratio of shares directly or indirectly invested by the Company	Major production and sales items
Excelsior Healthcare (ShangHai) Corporation (Note 1)	\$ 30,240	- (Note 1)	Sales and lease of medical devices, and medical management and consulting business
Beijing Pacific Bo-Ai Medical Management Co., Ltd.	80,327	7.8%	Investment and medical management and consulting business
SINOEXCELSIOR Investment Incorporation	947,845	100.0%	Medical management and consulting business
Beijing Yu Jia Cheng Yue Investment Management Co., Ltd	-	100.0%	Investment, sales and lease of medical devices and medical management and consulting business

Name of the investee	Capital contribution amount	Ratio of shares directly or indirectly invested by the Company	Major production and sales items
Shang Hai Wan Li Medical Beauty Co., Ltd.	-	100.0%	Businesses in relation to service provider of professional slimming and beauty/ health products
Guangzhou Dynamic Inc.	119,598	38.5%	Medical device sales and maintenance business
Beijing Excelsior Beauty Ltd.	34,424	- (Note 2)	Medical device sales and maintenance business
National Pharmaceutical Logistics Corp., Ltd.	66,603	7.0%	Pharmaceutical logistics

Note 1: Excelsior Healthcare (Shang Hai) Corporation had been liquidated in March 2016; however, the amount of investment has not been remitted back to Taiwan.

Note 2: Beijing Excelsior Beauty Limited had Liquidated in November 2018; however, the amount of investment has not been remitted back to Taiwan.

5. Proposals

Proposal 1: Adoption of the Company's 2018 financial statements. (proposed by the Board of Directors).

Explanations:

1. The Company's 2018 individual financial statements and consolidated financial statements have been audited by CPAs Marshal Wu and Wan-Wan Lin of KPMG, Taiwan. The aforesaid financial statements, together with the business report and profits distribution proposal, have been audited by the Audit Committees and adopted by the Company's Board of Directors, and hereby proposed to the Board of Shareholders for adoption.
2. The Company's financial statements, including the "Business Report" (please refer to Appendix 4 at page 28 of this Handbook), and the "2018 Individual financial statements and consolidated financial statements along with the CPA's audit report" (please refer to Appendix 6 at page 39 of this Handbook), are attached.

Resolution:

Proposal 2: Adoption of the proposal for distribution of 2018 profits. (proposed by the Board of Directors)

Explanations:

1. It is proposed in accordance with the Company Act and Company's Articles of Incorporation.
2. The Company's 2018 profits are proposed to be distributed according to the following distribution statement:


Excelsior (H.K.) Ltd.
Profit Distribution Statement Year 2018

Unit: NT\$

<u>Account</u>	<u>Amount</u>
Beginning retained earnings	\$1,293,400,708
Effect of first adoption of IFRS 9	<u>21,344,772</u>
Undistributed earnings after adjustment	1,314,745,480
Retained earnings adjusted due to investment under the equity method	(6,589,768)
Retained earnings recognized as remeasurement of defined benefit plan	(481,628)
Proceeds from disposal of financial assets at fair value through other comprehensive income	<u>35,324,614</u>
Undistributed earnings after adjustment	1,342,998,698
Current year net profit after tax	<u>451,561,703</u>
Earnings available for distribution	1,794,560,401
Allocated for legal reserve	(45,156,170)
Reversal for special reserve	236,203,335
Cash dividend distributed to shareholders — \$3 per share	<u>(384,446,910)</u>
Appropriated retained earnings (end of period)	<u>\$1,601,160,656</u>

Note 1: The quantity of the Company's outstanding shares was 128,148,970.

Chairperson:
Fu Hui-Tung



Manager:
Chang Ming-Cheng



Accounting Chief:
Chou Cheng-Hsiao



3. For cash dividend distribution, the Board of Directors shall separately determine an ex-dividend base date and process related matters of cash dividend distribution after adoption by the Board of Shareholders. However, in case of any change in the per-share cash dividend rate as a result of the fact that any holder of the convertible corporate bond issued by the Company applies for conversion and repurchase of the Company's shares, or the treasury stock is transferred or deleted, which further affects the number of the Company's outstanding shares, the Board of Directors shall be authorized to adjust the shareholder's cash dividend rate according to the distribution amount adopted by the Board of Shareholders for this proposal and the number of the Company's actual outstanding shares. In addition, the cash dividend shall be calculated to the nearest dollar and the decimal figures shall be rounded off. The amount rounded off from the current cash dividend shall be listed under the Company's other income.

Resolution:

6. Discussions

Proposal 1: Amending part of the articles of the Company's "Articles of Incorporation".
(Proposed by the Board of Directors)

Explanations:

According to the amendment of Company Art, the company hereby proposes to amend part of the articles. Please refer to Appendix 7 at page 56 of this Handbook.

Resolution:

Proposal 2: Amending part of the articles of the Company's "Operational Procedures for Acquisition and Disposal of Assets". (Proposed by the Board of Directors)

Explanations:

According to the public announcement No. Financial-Supervisory-Securities-corporate-10703410725, the company hereby proposes to amend part of the articles. Please refer to Appendix 8 at page 58 of this Handbook.

Resolution:

Proposal 3: Amending part of the articles of the Company's "Operational Procedures for Loaning of Company Funds". (Proposed by the Board of Directors)

Explanations:

According to the public announcement No. Financial-Supervisory-Securities-Auditing-1080304826, the company hereby proposes to amend part of the articles. Please refer to Appendix 9 at page 69 of this Handbook.

Resolution:

Proposal 4: Amending part of the articles of the Company's "Operational Procedures for Endorsements and Guarantees". (Proposed by the Board of Directors)

Explanations:

According to the public announcement No. Financial-Supervisory-Securities-Auditing -1080304826, the company hereby proposes to amend part of the articles. Please refer to Appendix 10 at page 71 of this Handbook.

Resolution:

7. Election matters

Proposal: Elect the 12th-term directors (including independent directors). (Proposed by the Board of Directors)

Explanations:

1. The 11th-term of the directors (including independent directors) of the Company's Board of Directors is going to expire on June 15, 2019, so full re-election shall be held in accordance with Article 195 of the Company Act. However, given that the Company plans to set up an audit committee (constituted by the entire body of independent directors) according to the Securities and Exchange Act, the independent director shall not be less than 3 person.
2. For the Company's 12th-term Board of Directors, nine seats of directors (including three seats of independent directors) shall be elected, and their term of office is three years starting from the day that they are elected. The 12th-term directors (including independent directors) of the Board of Directors shall take office upon being elected for a term from June 18, 2019 to June 17, 2022. The 11th-term directors (including independent directors) shall be automatically dismissed when the new directors (including independent directors) take office.
3. The Company adopts the candidate nomination system to elect its directors (including independent directors), in which shareholders shall elect directors (including independent directors) according to the list of candidates.
4. For the current election of 12th-term directors (including independent directors) of the Board of Directors, except for the nomination made by the Company's Board of Directors, no shareholders proposed any nomination during the proposal acceptance period. The information regarding the announcement list of the director (including independent director) candidates nominated by the Board of Directors and passing the qualification review, their education backgrounds, work experience, shareholding ratios, etc. is attached. Please refer to Appendix 11 at page 73 of this Handbook.
5. This is proposed for re-election.

Election results:

8. Other matters

Proposal: Release the prohibition on directors from participation in competition businesses. (Proposed by the Board of Directors)

Explanations:

1. According to Article 209 of the Company Act, "a director who acts for themselves or on behalf of others within the Company's business scope shall explain to the Board of Shareholders the essential contents of such an act and obtain its approval".

2. In case that any of the Company's directors invests in or operates a business same as or similar to the Company's and act as a director in such business, they shall submit the case to the Board of Shareholders by law and obtain its approval. If the Company's newly elected directors is also under the aforesaid circumstance, the Company agrees to release the prohibition on directors from participation in competition businesses.

Resolution:

9. Questions and motions

10. Adjournment

IV. Appendixes

Appendix 1 : Rules of Procedure for Shareholders' Meetings

Amended in the regular shareholders' meeting held on June 16, 2016

- Article 1: In order to establish a good shareholders' meeting governance system, strengthen the supervision function and reinforce management efficiency, the Company specifically sets up the Rules in accordance with Article 5 of the Corporate Governance Best Practice Principle for TWSE/GTSM Listed Companies for the personnel across the Board to comply with.
- Article 2: Unless otherwise stated by law or the Company's Articles of Incorporation, the Rules shall be followed in the Company's shareholders' meetings.
- Article 3: Unless otherwise stated by law, the Company's shareholders' meetings shall be convened by the Board of Directors.
- The Company shall prepare the shareholders' meeting notification letter, letter of proxy and the subjects of various motions, such as adoption case, discussion cases and director election or dismissal, as well as the explanation data, in electronic format and transmit them to the Market Observation Post System at least 30 days before a regular shareholders' meeting or 15 days before a special shareholders' meeting. At the same time, the shareholders' meeting agenda handbook and meeting supplementary materials shall be prepared in electronic format and transmitted to the Market Observation Post System at least 21 days prior to a regular shareholders' meeting or at least 15 days prior to a special shareholders' meeting. The agenda handbook and the supplementary materials for the shareholders' meeting in question shall be prepared at least 15 days prior to the shareholders' meeting for requesting by shareholders, displayed at the Company and its stock affairs service agency's place, and also be distributed at the shareholders' meeting.
- The reason for convening a meeting shall be specified in the notification and announcement: If it is agreed by the counterparty, the notification can be made in electronic format.
- Director election or dismissal, change of the Company's Articles of Incorporation, corporate dissolution, merger, split or the matters prescribed by Paragraph 1 of Article 185 of the Company Act; Articles 26-1 and 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 in the causes for convening a meeting. Those matters shall not be put forth as extemporary motions.
- Those shareholders who hold more than 1% of the issued shares are entitled to submit a motion to a regular shareholders' meeting. However, each of them can only submit one motion at a regular shareholders' meeting; further motions will not be listed in the agenda. Also, for any motions proposed by shareholders under any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors may exclude them in the agenda.
- The Company shall announce the opening of acceptance of shareholders' proposals and acceptance place and period before the suspension date of stock ownership transfer prior to the holding of a regular shareholders' meeting. The

acceptance period shall be at least 10 days.

Any motion proposed by shareholders shall be limited to 300 words. Those over 300 words shall not be listed in the agenda. Proposing shareholders shall attend the regular shareholders' meeting in person, or appoint others to attend on their behalf, and participate in discussion of the proposed motion.

The Company shall notify the proposing shareholders of the handling results before the shareholders' meeting notification day, and list the motions meeting the regulations of this Article in the meeting notification. For those shareholders' motions not being listed in the agenda, the Board of Directors shall elaborate on the reason for not listing them in the agenda at the shareholders' meeting.

Article 4: For each shareholders' meeting, a shareholder may appoint a representative with a letter of proxy printed by the Company to attend the meeting on their behalf. The letter of proxy shall state the scope of authorization for the meeting.

A shareholder can issue a letter of attorney and appoint one representative only. The letter of proxy shall arrive at the Company at least five days before the shareholders' meeting. In case that there is any repetition of the letter of proxy, the first one arriving at the Company shall prevail. However, it is not limited to the situation where revocation of the prior letter of proxy is declared.

After the letter of proxy arrives at the Company, if the shareholder wishes to attend the shareholders' meeting in person, he or she shall notify the Company of the proxy revocation in writing at least two days prior to the shareholders' meeting. In case of any overdue revocation, the voting right exercised by the attending proxy shall prevail.

Article 5: The place for holding a shareholders' meeting shall be at the Company or a place convenient for shareholders to attend and suitable for holding a shareholders' meeting. The meeting time shall not be earlier than 9:00 AM or later than 3:00 PM. For the meeting place and time, independent directors' opinions shall be fully taken into account.

Article 6: The Company shall specify the shareholder check-in time and place and other precaution matters in its meeting notification.

The check-in time referred to in the preceding paragraph shall be at least 30 minutes before the meeting starts. A specific sign shall be setup at the check-in place, and adequate number of qualified personnel shall be dispatched for assistance.

Shareholders or the proxies appointed by them (hereafter referred to as shareholders) shall attend a shareholders' meeting by presenting their attendance certificate, attendance card or other attendance documents. Other than the documents required for the attendance of a shareholders' meeting, the Company shall not discretionarily request any additional documents. The shareholders who solicit letters of proxy shall bring their own ID certification documents with them for verification.

The Company shall prepare an attendance book for the shareholders attending the meeting to sign in, or otherwise the attending shareholders may submit the attendance card instead of signing in.

The Company shall hand the agenda handbook, annual report, attendance certificate, speech note, voting ticket and other meeting materials to the attending shareholders. In case that the meeting involves director election, the election

ballot shall be additionally attached.

For government or institutional shareholders, their meeting attending representatives are not limited to one person only. However, when an institutional shareholder is entrusted to attend a shareholders' meeting, only one representative can be appointed for attendance.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board of Directors. If the chairperson is on leave or cannot exercise his or her power and authority for any reason, the vice-chairperson shall chair the meeting on behalf of the chairperson. If there is no vice-chairperson or the vice-chairperson is also on leave or cannot exercise his or her power and authority for any reason, the chairperson shall appoint a standing director to act on his or her behalf. If there is no standing director, the chairperson shall appoint a director to act on his or her behalf. In case that the chairperson does not appoint any deputy, a deputy to act on behalf of the chairperson shall be elected by standing directors or directors among themselves.

The standing director or director to act on behalf of the preceding chairperson shall have served the Company as a standing director or director for more than six months, and be familiar with the Company's financial and business status. The same shall apply to the chairperson who is a representative of an institutional director.

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson, attended by a majority of the total Board directors and at least one representative of each functional committee. The attendance status shall be recorded in the shareholders' meeting minutes book. When a shareholders' meeting is convened by the convener not from the Board of Directors, the convener in question shall chair the meeting. If there are two or more than two conveners for a same meeting, the chairperson of the meeting shall be elected from among the conveners.

The Company may invite its appointed attorneys and CPA or other related personnel to attend a shareholders' meeting as a guest as the case may be.

Article 8: The Company shall record the entire proceedings of a shareholders' meeting, from shareholders' check-in, the check-in process and the course of the meeting, to the voting and vote counting process, in an audio and video format without any interruption.

The preceding audio and video data shall be retained for at least one year.

However, in case of any litigation filed by a shareholder in accordance with Article 189 of the Company Act, the audio or video evidence shall be kept until closure of such litigation.

Article 9: The attendance status of a shareholders' meeting shall be calculated according to the number of the shares represented by the shareholders attending the shareholders' meeting, in which the calculation shall cover the shares indicated in the attendance book or according to the attendance cards turned in by the meeting attendants, plus the voting shares exercised in writing or in an electronic format. When it is time for a meeting, the chairperson shall immediately call the meeting to order. However, if the number of shares held by the shareholders present at the meeting has yet to constitute a majority of the total issued shares, the chairperson may announce postponement of the meeting, but the postponement of the said

meeting is limited to two times only, whereas the total postponement time shall not exceed one hour. If a meeting has been postponed for two times and the shares held by the shareholders present at the meeting are still less than one-third of the total issued shares, the chairperson may abort the meeting.

If, after preceding two times of postponement, a meeting has yet to constitute the quorum but the shareholders representing one-third of the total issued shares are present, a provisional resolution can be adopted according to Paragraph 1 of Article 175 of the Company Act, and the notice of the provisional resolution shall be served to respective shareholders for a shareholders' meeting to be convened again within one month.

Before the end of the meeting in question, if the number of the shares held by the shareholders present represents a majority of the total issued shares, the chairperson may put forward the adopted provisional resolution and request re-adoption of the resolution at the meeting in accordance with Article 174 of the Company Act.

Article 10: If a shareholders' meeting is called by the Board of Directors, the meeting agenda shall be set up by the Board of Directors, and the meeting shall be conducted according to the scheduled agenda, which shall not be changed unless resolved by the shareholders' meeting.

If a shareholders' meeting is called by any other person outside the Board of Directors who has the convening right, the preceding provision shall apply.

Without resolution, the chairperson shall not adjourn a meeting before closure of the motions (including extemporary motions) in the agenda arranged according to the preceding two paragraphs. If the chairperson violates the meeting rules by adjourning a meeting, other members of the Board of Directors may follow the legal procedure and quickly come forward to help the attending shareholders elect a chairperson by the resolution adopted by a majority of the shareholders present, and continue the meeting.

For any motions, amendments proposed by shareholders or extemporary motions, the chairperson shall allow sufficient explanation and discussion, close the discussion when he or she believes that it's time for resolution, and put them to the vote.

Article 11: Those shareholders who wish to speak in a shareholders' meeting shall first fill out a speech note stating their speech subject, their shareholder account number (or attendance card number) and their account name. The chairperson shall then decide their speech order.

Those shareholders who submit a speech note but do not actually give any speech, shall be deemed not having given any speech. In the case that the speech content is not consistent with what is stated in the speech note, the speech content shall prevail.

Unless otherwise permitted by the chairperson, a shareholder shall not speak more than two times for a same motion and each time of speech shall not exceed 5 minutes. If the speech given by any shareholder violates the aforesaid stipulation or is beyond the agenda scope, the chairperson may stop the speech.

When a shareholder is giving a speech, other shareholders shall not interrupt the speech unless otherwise obtaining the consent from the chairperson. The chairperson shall stop any violation.

If an institutional shareholder designates two or more than two representatives to attend a shareholders' meeting, only one representative is allowed to speak for a same motion.

After the speech of a shareholder, the chairperson may respond to it on his or her own, or designate an appropriate person to respond.

Article 12: The resolution of a shareholders' meeting shall be calculated according to the voting shares.

For the resolution of a shareholders' meeting, the shares held by the shareholders without the voting right shall not be included in the total number of the issued shares.

Those shareholders who have conflict of interests with the meeting agenda, which may adversely affect the Company's interests, are not allowed to participate in any resolution. In addition, they are also not allowed to represent other shareholders to exercise their voting right.

The number of the aforesaid shares not allowed to be used to exercise the voting right shall not be included in the votes given by the attending shareholders.

Except for the trust business or the stock affairs service agency approved by the securities competent authorities, if a person is simultaneously entrusted by two or more than two shareholders, the votes represented by him or her shall not exceed 3% of the total issued shares, and the excess votes, if any, shall not be calculated.

Article 13: Each share held by a shareholder is entitled to one vote, but it is not limited to those shareholders whose voting right is restricted or the ones having no voting right as stated in Paragraph 2 of Article 179 of the Company Act.

When holding a shareholders' meeting, shareholders may exercise their voting right in a written or electronic format. When using the written or electronic format to exercise the voting right, the format shall be stated on the notification of the shareholders' meeting. Those shareholders who exercise their voting right in a written or electronic format shall be deemed to have attended the shareholders' meeting in person. However, for the extemporaneous motions and amendments to the original motions of the shareholders' meeting in question, those shareholders shall be deemed abstention in participation.

For those that exercise their voting right with the preceding written or electronic format in a meeting, their intent expression shall arrive at the Company at least two days prior to the shareholders' meeting. When there is any repetition of the intent expression, the first one arriving at the Company shall prevail. However, it is not limited to the situation where the revocation of the prior intent expression is declared. For those shareholders who wish to attend a shareholders' meeting in person after exercising their voting right in a written or electronic format, they shall revoke the aforesaid intent expression by using the same format as they used for exercising the voting right at least two days prior to the shareholders' meeting. In case of overdue revocation, the written or electronic format shall prevail for exercising the voting right. In the case that the written or electronic format is used to exercise the voting right while the shareholder also entrusted a representative with a letter of proxy to attend the shareholders' meeting, the voting right exercised by the attending representative shall prevail.

Except otherwise stated in the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented

by the shareholders present at the meeting. When resolving a motion, if no objection from the shareholders present after inquired by the chairperson, the resolution shall be deemed to be adopted, and shall have the same effect as the voting made with the ballot casting method. The resolution can also be made through shareholders' ballot casting case by case after the chairperson or his or her designated personnel announce the total voting shares entitled by the attending shareholders. Also, shareholders' consent, objection and abstention results shall be posted on the Market Observation Post System.

For any amendment or replacement of a same motion, the chairperson shall decide the sequence of the resolutions by including the original motion. If any of the resolutions is adopted, the others shall be deemed to be vetoed and no future voting shall be required.

Ballot examiners and ballot counters shall be designated by the chairperson, in which the ballot examiners shall be shareholders.

Ballot calculation for a shareholders' meeting's resolution or election motion shall be publicly conducted on the site where the shareholders' meeting is held, and the voting results, including the statistical weighted voting shares, shall be announced on the spot and recorded in the meeting minutes accordingly.

Article 14: Any director election at a shareholders' meeting shall be processed in accordance with the Company's relevant election regulations, and the election results, including the director-elect list and weighted voting shares, shall be announced on the spot.

The ballots cast for the preceding election matters shall be sealed and signed by the ballot examiner and properly retained for at least one year. However, those that are involved in the litigation filed by a shareholder in accordance with Article 189 of the Company Act shall be retained until closure of such litigation.

Article 15: All matters resolved in a shareholders' meeting shall be recorded in the meeting's minutes book, which shall be signed or sealed by the chairperson and distributed to respective shareholders within 20 days after the shareholders' meeting. The production and distribution of the meeting's minutes book may be processed in an electronic form.

For distribution of the preceding meeting's minutes book, the Company may transmit the meeting's minutes book to the Market Observation Post System as the announcement method.

The items including the meeting date and place, chairperson's name, resolution method, main points of the meeting proceedings and the results, shall be literally recorded in the meeting minutes book, which shall be retained during the existence of the Company.

Article 16: The Company shall prepare a statistical list for the shares solicited by solicitors and the ones represented by the entrusted proxies, and disclose it at the meeting site on the shareholders' meeting day.

If the resolution adopted at a shareholders' meeting is regulated by law or stipulated by Taiwan Stock Exchange Corporation as material information, the Company shall transmit the content to Market Observation Post System within the regulated time limit.

Article 17: Those who work on the shareholders' meeting site for handling meeting related affairs, shall wear an ID card or arm badge.

The chairperson may direct disciplinary personnel or security personnel to maintain order of a meeting. When maintaining order of the meeting, those disciplinary personnel and security personnel shall wear a badge or ID card bearing the words of “disciplinary personnel”.

At a meeting site equipped with the public address system, the chairperson may stop any speech made by the shareholder who does not use the public address system provided by the Company.

For those shareholders who violate the meeting rules, disobey the correction from the chairperson, obstruct the meeting proceedings and ignore the prohibition, the chairperson may have the disciplinary personnel or security personnel ask them to leave the meeting site.

Article 18: During a meeting, the chairperson may announce recess at the time he or she considers appropriate. In case of force majeure, the chairperson may decide to temporarily suspend the meeting, and announce the time of meeting resumption depending on the situation.

Before closure of the motions (including extemporary motions) set in the agenda of a shareholders’ meeting, if the meeting place cannot continue to be used, the Board of Shareholders shall resolve to find another place for continuation of the meeting.

According to Article 182 of the Company Act, the Board of Shareholders may resolve to postpone a meeting and have it held within five days or continue the meeting.

Article 19: The Rules shall be implemented after adoption by the Board of Shareholders. The same shall apply in case of any revision.

Appendix 2 : Articles of Incorporation (before amendment, prior to this shareholders' meeting)

**Articles of Incorporation
Excelsior Medical Co., Ltd.**

Amended in the regular shareholders' meeting held on June 16, 2017

Chapter 1 General Provisions

- Article 1 The name of the Company is Excelsior Medical Co., Ltd., which is incorporated pursuant to the Company Act.
- Article 2 The businesses engaged by the Company are as follows:
1. F108031 Wholesale of Drugs, Medical Goods
 2. F113010 Wholesale of Machinery
 3. F113020 Wholesale of Household Appliance
 4. F107080 Wholesale of Environment Medicines
 5. F113030 Wholesale of Precision Instruments
 6. F113050 Wholesale of Computing and Business Machinery Equipment
 7. F113070 Wholesale of Telecom Instruments
 8. F117010 Wholesale of Fire Fighting Equipment
 9. F118010 Wholesale of Computer Software
 10. F401010 International Trade
 11. I301010 Software Design Services
 12. CB01030 Pollution Controlling Equipment Manufacturing
 13. F113100 Wholesale of Pollution Controlling Equipment
 14. F213100 Retail Sale of Pollution Controlling Equipment
 15. F108021 Wholesale of Drugs and Medicines
 16. H703100 Real Estate Rental and Leasing
 17. JA02010 Electric Appliance and Audiovisual Electric Products Repair Shops
 18. IF01010 Fire Fighting Equipment Overhauling
 19. JA02990 Other Repair Shops
 20. JE01010 Rental and Leasing Business
 21. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
 22. F208040 Retail Sale of Cosmetics
 23. C802041 Drugs and Medicines Manufacturing
 24. C802060 Animal Use Medicine Manufacturing
 25. C802100 Cosmetics Manufacturing
 26. CF01011 Medical Materials and Equipment Manufacturing
 27. F208031 Retail sale of Medical Equipments
 28. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may externally provide guarantee as required by business needs.
- Article 4 If the Company is a limited liability shareholder of another company, its total investment amount shall be free from the restriction of not exceeding 40% of its paid-in capital as prescribed by Article 13 of the Company Act.

Chapter 2 Shares

- Article 5 The Company's headquarters is located in New Taipei City, and, as resolved by the Board of Directors, it may establish branch sales stores, business offices and other types of branch offices in the Republic of China or foreign countries, as necessary.
- Article 6 The Company's total capital is two billion NT dollars, which is divided into two hundred million shares with a face value of ten NT dollars per share. For the unissued shares, the Board of Directors is authorized to issue them in installments as required by business needs. Out of the preceding total capital, one hundred million NT dollars is reserved for exercise of the warrants covering employee stock option warrants, corporate bonds with warrants and preferred shares with warrants, which may be issued in installments.
- Article 6-1 The subscription price of employee stock option warrants issued by the Company is free from the restriction of relevant laws and regulations. However, it shall be adopted by more than two-thirds of the votes of the shareholders who are present at the meeting and represent a majority of the total issued shares, and declared in installments within one year after the shareholders' meeting resolution day.
- Article 6-2 The Company may repurchase its treasury stock and transfer it to its employees at a price lower than the average repurchase price. However, it shall be adopted by more than two-thirds of the votes of the shareholders who are present at the latest shareholders' meeting and represent a majority of the total issued shares, and the implementation shall be made in accordance with relevant laws and regulations.
- Article 7 The Company's stock is registered shares, which shall be affixed with the signature or seal of more than three directors and issued after certification by law. The stock shall be produced in accordance with Article 162 of the Company Act. When issuing new shares, such new shares may be exempt from printing share certificates, but shall be registered with the Centralized Securities Depository Enterprise.
- Article 8 The Company shall commission its stock affairs to a stock affairs service agency. Unless otherwise prescribed by laws and regulations and the Articles of Incorporation, it shall be processed in accordance with the "Regulations Governing the Administration of Shareholders Services of Public Companies" promulgated by the competent authorities.
- Article 9 If the stock is transferred, or re-issued due to loss, the Company may collect a service fee and revenue stamps shall be affixed.
- Article 10 Any change of the records in the shareholders list shall be suspended within 60 days prior to a regular shareholders' meeting, 30 days prior to a special shareholders' meeting or 5 days prior to the base day determined by the Company for dividend/bonus or other benefit distribution.

Chapter 3 Shareholders' Meetings

- Article 11 The Company's shareholders' meetings come in two types: regular shareholders' meetings and special shareholders' meeting. A regular shareholders' meeting shall be convened by the Board of Directors by law and held within six months after the end of each fiscal year, whereas a special shareholders' meeting shall be convened whenever necessary. If agreed by the counterparty, the notification of a shareholders' meeting can be made via e-mail. For those shareholders who hold less than 1,000

- shares of the Company's stock, the Company may notify them via announcement.
- Article 12 If a shareholder cannot attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting on behalf of him or her in accordance with Article 177 of the Company Act, Paragraph 1 of Article 25-1 of the Securities and Exchange Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 13 For the Company's shareholders, each share is entitled to one vote, but it is not limited to those that are restricted or have no voting right as listed in Paragraph 2 of Article 179 of the Company Act.
- Article 14 Unless otherwise prescribed by the Company Act or stated by relevant laws and regulations, a resolution of a shareholders' meeting shall be adopted by a majority vote of the shareholders present at the meeting and represent more than half of the total number of the issued shares, before implementation.
- Article 15 All of the matters resolved in a shareholders' meeting shall be recorded in the meeting minutes book which shall be signed or sealed by the chairperson and distributed to respective shareholders within 20 days after the meeting. The production and distribution of the meeting minutes book may be processed in an electronic form. The Company may also distribute the meeting minutes book via announcement. The meeting minutes book, attending shareholders' attendance book and the letters of proxies shall be retained in the Company according to the laws and regulations.
- Article 15-1 In case that the Company plans to revoke its public offering plan, it shall put it forth to the Board of Shareholders for resolution, and shall remain unchanged during the listing period.

Chapter 4 Directors and managerial officers

- Article 16 The Company shall have nine to eleven directors and at least three independent directors with a term of three years. They shall be elected from those who have behavioral capacity in the Board of Shareholders and are eligible for re-election. The number of directors shall be determined by the Board meeting. The candidate nomination system shall be adopted for the election of the Company's directors and independent directors, in which shareholders shall elect directors and independent directors according to the lists of director candidates. In case that a director cannot be present at a meeting for any reason, he or she shall appoint another director by law to attend the meeting on his or her behalf. The total shareholding ratio of the entire body of the Company's directors shall be processed in accordance with the regulations set up by the securities management competent authorities. The matters regarding independent directors' professional qualifications, shareholdings, restrictions on holding of concurrent positions, nomination, election method and other matters required to be followed shall be processed in accordance with the relevant regulations stipulated by the securities competent authorities.
- Article 16-1 According to Article 14-4 of the Securities and Exchange Act, the Company shall set up an audit committee. The audit committee shall be constituted by the entire body of independent directors, and the number of its members shall not be less than three, in which one of them shall be the convener and at least one of them shall be equipped with accounting or financial expertise. The audit committee or

its members shall be responsible for exercising a supervisor's power and authority as required by the Company Act, Securities and Exchange Act and other relevant laws and regulations.

- Article 17 The Board of Directors is constituted by directors; a chairperson or a vice-chairperson shall be elected from among directors by passing a majority vote of the directors who are present at the meeting and represent more than two-thirds of the total directors. The chairperson shall externally represent the Company, and his or her rights shall be subject to laws, regulations, the Company's Article of Incorporation, and the resolutions adopted by the Board of Shareholders and the Board of Directors.
- Article 17-1 The notification of convening a Board meeting shall be sent to respective directors at least seven days prior to the meeting. However, in case of any emergency, the Company may convene a Board meeting at any time. The Company may convene its Board meeting by means of a written notice, e-mail or facsimile.
- Article 18 The functions and authorities of the Board of Directors are as follows:
1. Determine the Company's business directions.
 2. Review budgets and settlements of final accounts.
 3. Draft plans for profits distribution and loss recovering.
 4. Lay down the capital increase or decrease plan.
 5. Other authorities granted by statutory laws and regulations and the Board of Shareholders.
- Article 19 Unless otherwise prescribed by the Company Act, any of the resolutions of the Board of Directors shall be adopted by a majority of the directors who are present at the meeting and represent a majority of the entire body of directors before implementation. All of the resolution matters shall be recorded in the meeting minutes which shall be signed or sealed by the chairperson and retained in the Company.
- Article 20 In case that the chairperson is on leave or cannot exercise his or her power and authority for any reason, a deputy shall be selected in accordance with Paragraph 3 of Article 208 of the Company Act. If the Board of Directors adopts a video meeting, those directors who attend the video meeting shall be deemed to have attended the meeting in person.
- Article 21 According to the resolution adopted by the Board of Directors, the Company shall have a general chief executive officer in charge of the business operation and operating policies for the Company and all of its associates and joint ventures. In addition, the Company may also have a general manger and several deputy general managers, and their appointment, dismissal and remuneration shall be processed in accordance with Article 29 of the Company Act.
- Article 22 The Company shall pay a transportation allowance fee to its directors for their attendance of the meetings of the Board of Directors. The Company shall pay remuneration to its directors for their duty execution regardless of gain or loss of the Company's business. The Board of Directors shall be authorized to determine the remuneration according to the status of a director's duty execution and by referring to the practice of the peer group.
- Article 22-1 The Company shall authorize its Board of Directors to purchase liability insurance

for its directors within their term of office and according to their duty execution scope.

Article 22-2 The salaries, remuneration and transportation allowance fees of directors shall be reviewed by the remuneration committee.

Chapter 5 Accounting

Article 23 The Company's fiscal year is from January 1 to December 31, and the financial statements shall be processed at the end of each fiscal year.

Article 24 At the end of each fiscal year, the Company's Board of Directors shall prepare (1) the business report (2) the financial statements (3) the proposal of profits distribution or loss recovering, and submit the statements and documents above to the audit committee for examination, to the Board of Directors for approval, and finally to the regular shareholders' meeting for acknowledgement.

Article 25 If the Company has any annual profit (referring to the net profit before deducting employee compensation and director remuneration from before-tax profit), it shall allocate an amount no less than 1% for employee compensation and no more than 5% as director remuneration. However, in the circumstance where the Company has accumulated loss (including adjustment of undistributed earnings), an allowance for the loss shall be set aside in advance.

The preceding employee compensation shall be distributed by stock or cash, and the recipients shall cover the employees of the subordinate companies meeting the terms set up by the Board of Directors. The preceding director remuneration shall be paid by cash only.

The preceding two issues shall be resolved by the Board of Directors, and reported to the Board of Shareholders.

Prior to the Company setting up its audit committee, the supervisor's remuneration shall be included in the director's remuneration, which shall be distributed with an amount no more than 5% of the Company's annual profit and subject to this Article.

Article 25-1 If the Company has any current period after-tax profit left in its financial statements, it shall first use the profit to cover accumulated loss (including adjustment of undistributed earnings), followed by setting 10% aside as the legal reserve. However, it is not limited to the situation where the legal reserve already reaches the Company's total paid-in capital. Furthermore, a special reserve shall be allocated or reversed in accordance with statutory laws and regulations or competent authorities' stipulations. Afterwards, the Board of Directors shall draft a profits distribution proposal for the remaining earnings along with the beginning undistributed earnings (including adjustment of undistributed earnings) and put it forth to the shareholders' meeting for resolution of shareholder dividend and bonus distribution.

Chapter 6 Supplementary Provisions

Article 26 The Company sets up its dividend policy in conjunction with its current and future development plan and by taking the investment environment, capital requirements and local and foreign competition status into account, whereas the Company also concurrently considers shareholders' interests. With which, after recovering its accumulated loss (including adjustment of undistributed earnings) from the current

year after-tax profit and setting aside a 10% legal reserve, the Company shall allocate an amount no less than 20% of the remaining amount for the shareholder dividend and bonus. The shareholder dividend and bonus can be distributed by either cash or stock, in which the cash dividend shall be no less than 20% of the total dividend amount.

Article 27 Other matters not covered by the Articles of Incorporation shall be subject to the Company Act.

Article 28 The Articles of Incorporation was instituted on January 27, 1988

1st revision was made on June 28, 1988

2nd revision was made on March 23, 1989

3rd revision was made on March 7, 1990

4th revision was made on March 15, 1991

5th revision was made on May 15, 1991

6th revision was made on September 18, 1991

7th revision was made on September 18, 1993

8th revision was made on December 1, 1994

9th revision was made on January 11, 1997

10th revision was made on February 4, 1997

11th revision was made on April 21, 1997

12th revision was made on April 11, 1998

13th revision was made on May 15, 1998

14th revision was made on April 20, 1999

15th revision was made on June 16, 2000

16th revision was made on April 30, 2001

17th revision was made on November 12, 2001

18th revision was made on May 20, 2002

19th revision was made on March 31, 2003

20th revision was made on May 31, 2004

21st revision was made on June 17, 2005

22nd revision was made on June 14, 2006

23rd revision was made on June 15, 2007; however, the amended articles of Articles 6-1 and 6-2 regarding the expensing of employee bonus shall become effective from the date of announcement by the competent authorities (January 1, 2008).

24th revision was made on October 12, 2007

25th revision was made on June 13, 2008

26th revision was made on June 10, 2009

27th revision was made on June 10, 2009

28th revision was made on June 15, 2010

29th revision was made on June 15, 2011

30th revision was made on June 18, 2012

31st revision was made on June 14, 2013

32nd revision was made on June 24, 2014

33rd revision was made on June 16, 2016

34rd revision was made on June 16, 2017

Appendix 3 : Election Procedures for Board Directors

Excelsior Medical Co., Ltd. Election Procedures for Board Directors

Article 1

The Procedure is set up to elect the Company's Board directors in a fair, impartial and transparent way in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".

Article 2

Unless otherwise stated by law or the Articles of Incorporation, the Company's Board directors shall be elected according to the Procedure.

Article 3

The overall allocation of the Board of Directors shall be taken into account in any elections of the Company's Board directors. The Board of Directors shall be diversely constituted, in which its operation, operating pattern and development requirements shall be covered to set up adequate and diversified guidelines. The content shall include but not limited to the following two aspects:

1. Basic terms and values: gender, age, nationality, culture, etc.
2. Professional knowledge and skills: professional background (e.g. law, accounting, property, finance, marketing or technology), professional skills, industrial experience, etc.

The Board directors shall be generally equipped with the knowledge, skills and quality required for their duty execution. The overall abilities required of them include:

1. Operational judgment
2. Accounting and financial analysis
3. Operational management
4. Crisis management
5. Industrial knowledge
6. International market perspectives
7. Leadership
8. Decision making

A majority of the seats of directors shall not be taken up by directors' spouses or persons within second degree of kinship with the directors.

The Company's Board of Directors shall adjust the constitution of the Board directors in accordance with the results of the performance evaluation.

Article 4

The qualifications of the Company's independent directors shall comply with Articles 2,

3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.

Any election of the Company’s independent directors shall comply with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and follow Article 24 of the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”.

Article 5

The Company’s directors shall be elected in accordance with the candidate nomination system procedure prescribed by Article 192-1 of the Company Act. In order to review the qualifications, educational background and work experience of director candidates and find out whether they encounter the circumstances listed in Article 30 of the Company Act, the certification documents for other qualifications shall not be discretionarily added to the list, whereas the review results shall be offered to shareholders as reference for electing qualified directors.

If a director is dismissed for any reason, resulting in the number of directors less than 5, the Company shall hold a by-election for the vacancy in the next shareholders’ meeting. However, if the number of the director vacancies is more than one third of the seats required by the Articles of Incorporation, the Company shall hold a special shareholders’ meeting to fill up the vacancies within 60 days after the day that the fact occurs.

If the number of independent directors is less than that required by the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, the regulations in relation to Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, or Subparagraph 8 of the “Standards for Determining Unsuitability for TPEX Listing under Article 10-1 of Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX”, a by-election for the vacancies of independent directors shall be held in the next shareholders’ meeting. In the event that all the independent directors are dismissed, the Company shall convene a special shareholders’ meeting for a by-election within 60 days after the day that the fact occurs.

Article 6

The Company shall adopt a cumulative voting system to elect its directors, with which the number of the votes exercisable in respect of each share shall be same as the number of directors to be elected, and the total number of votes per share can be consolidated for election of one candidate or split for election of more candidates.

Article 7

The Board of Directors shall prepare the ballots which shall be consistent with the number of the directors to be elected, and additionally add the weighted voting shares on the ballots. The ballots shall be distributed to the shareholders attending the shareholders’ meeting. Voter’s name may be replaced by the attendance card No. printed on their ballot.

Article 8

According to the numbers of the seats prescribed by the Articles of Incorporation, the

Company shall calculate the weighted voting shares of independent directors and non-independent directors respectively. The candidates who acquire the cast ballots standing for more weighted voting shares shall win the seats available. In case that two or more candidates acquire the same number of weighted voting shares of cast ballots resulting in exceeding the specified number of seats available, such candidates shall draw lots to decide who win/wins the seat(s). For those candidates who are not present at the meeting, the chairperson shall draw lots on behalf of them.

Article 9

Prior to election, the chairperson shall appoint several ballot examiners and counters from shareholders to perform election related duties. The Board of Directors shall prepare ballot boxes which shall be publicly examined on the site by ballot examiners prior to vote casting.

Article 10

If the election candidate is also a shareholder, the voter shall fill the candidate's account name and shareholder account number in the candidate column on the ballot. If, on the other hand, the candidate is not a shareholder, the voter shall fill in the candidate's name and ID No. instead. However, if the candidate is a government or institutional shareholder, the name of the government shareholder or institutional shareholder shall be filled in the candidate account name column on the ballot, or the government or institutional shareholder's name and its representative's name can also be put in the column. If a government or institutional shareholder has several representatives, all of the representatives' names shall be filled in the column respectively.

Article 11

In case of any of the following circumstances, the ballot shall be void:

1. The ballot is not the one prepared by the Board of Directors.
2. The ballot put into the ballot box is left blank.
3. The writing on the ballot is illegible or has been altered.
4. For the candidate who is a shareholder, his or her shareholder account name and number are inconsistent with what are shown in the shareholders list. For the candidate who is not a shareholder, his or her name and ID No. are found inconsistent after checking.
5. There are texts other than the candidate's shareholder account name (name) or shareholder account number (ID No.) and the number of the distributed voting shares.
6. The filled candidate's name is same as another shareholder's name, and neither shareholder account No. nor ID No. is filled in for discrimination.

Article 12

The ballots shall be calculated on the spot after the voting is finished, and the voting results, including the director-elect list and their weighted voting shares, shall be announced by the chairperson on the spot.

The ballots cast for the preceding election matters shall be sealed and signed by the ballot

examiner, and properly retained for at least one year. However, those that are involved in the litigation filed by a shareholder in accordance with Article 189 of the Company Act shall be retained until closure of such litigation.

Article 13

The Company's Board of Directors shall issue a notice of being elected to each director-elect.

Article 14

The Procedures shall come into effect upon adoption by the Board of Shareholders. The same shall apply in case of any revision.

Appendix 4 : Business Report

Business Report

Dear Shareholders:

First of all, I would like to thank you for sparing the time to attend the Company's annual shareholders' meeting. It allows our management team to elaborate on our 2018 business performance and the outlook, in person. I hereby represent our management team and the entire staff to express our sincere welcome to you. Your opinions and comments will be highly appreciated.

The fluctuations in the global stock and foreign exchange market in 2018 were mainly influenced by factors such as the US-China trade war, the increasing interest rate of the US dollar, the tumultuous financial conditions in emerging markets, and the concern regarding a global economic slowdown. However, as a medical product system integration distributor of considerable scale in Taiwan, due to our business attributes, we are less affected by changes in economic prosperity than other industries are. The Company will take this favorable opportunity to actively evaluate and properly develop the overseas Chinese market to remain competitive in the future.

In 2019, the Company and its reinvested affiliates will continuously work towards diversified development, which involves the expansion of products and their distribution channels, including hemodialysis equipment and its consumables, healthy home appliances, Picoway laser for medical aesthetic, Ulthera for ultrasound skin tightening and lifting, Viveve system, Hyadermis, the hyaluronic acid dermal filler, and the brand of Dr. CYJ for healthy hair. In terms of pharmaceutical logistics, we will dedicate our efforts to achieving collaboration with international pharmaceutical companies, continuously introducing new drugs and health supplements from these international companies, complying with the Good Distribution Practices (GDP), and enhancing the professional services of pharmaceutical logistics. In terms of long-term care systems, in response to the Government's Ten-Year Long-Term Care Program, we will combine the various services of medical care, nursing and home care to provide a health care model that integrates medical care with home care services, and will expand long-term care service stations and day care centers to meet the needs of an aging society. Furthermore, to cope with the Government's New Southbound Policy, we will invest in the dialysate factories in Malaysia to expand the hemodialysis market in Southeast Asia and enter into the business of manufacturing hemodialysis products.

The Company's 2017 operating results and 2018 business plan are reported as follows:

I. Report on the 2017 operating results

1. Implementation outcome of the business plan

(1) Individual statement of comprehensive income

Unit: thousand NT dollars

Item	2018	2017	Increase (decrease) percentage
Operating revenue	3,733,339	3,561,288	4.83%
Gross profit	603,321	619,761	(2.65%)
Profit from operations	279,606	267,803	4.41%
Non-operating income and expenses	253,773	181,470	39.84%
Profit before income tax	533,379	449,273	18.72%
Net profit after tax	451,562	399,047	13.16%
Other comprehensive income (loss)	(33,981)	(154,841)	78.05%
Total comprehensive income	417,581	244,206	71.00%

- (1) The increase in operating revenue compared to the previous year was mainly due to the increase in sales of hemodialysis and surgery products.
- (2) The decrease in gross operating profit compared to the previous year was mainly attributable to the increasing cost caused by the depreciation of the New Taiwan Dollar, while the increase in net operating profit compared to the previous year was mainly due to the appropriate control of operating expenses.
- (3) The increase in non-operating revenue and expense compared to the previous year was mainly attributable to the influence of "Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method."
- (4) The decrease in other comprehensive loss and the increase in total comprehensive income compared to the previous year were mainly due to the decrease in losses of "Exchange Differences on Translation."

(2) Consolidated statement of comprehensive income

Unit: thousand NT dollars

Item	2018	2017	Increase (decrease) percentage
Operating revenue	6,345,031	6,095,337	4.10%
Gross profit	1,199,165	1,206,298	(0.60%)
Profit from operations	438,119	452,562	(3.19%)
Non-operating income and expenses	210,381	101,675	106.92%
Profit before income tax	648,500	554,237	17.01%
Net profit after tax	548,423	471,008	16.44%
Other comprehensive income (loss)	(48,389)	(177,740)	72.78%
Total comprehensive income	500,034	293,268	70.50%

- (1) The increase in operating revenue compared to the previous year was mainly due to the growth of sales in hemodialysis and surgery products and the new promotion products of subsidiaries.
- (2) The decreases in gross and net operating profits compared to the previous year were due to the impact of product portfolio changes brought about by subsidiaries.
- (3) The increase in non-operating revenue and expense compared to the previous year was mainly due to the increases in “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method” and “Profit on Foreign Exchange.”
- (4) The decrease in other comprehensive loss and the increase in total comprehensive income compared to the previous year were mainly due to the decrease in losses of “Exchange Differences on Translation” and the increase in profit of “Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method”.

2. Status of budget implementation: this is not applicable since the Company did not prepare any financial forecast.

3. Status of financial revenue and expense

(1) Individual statement of cash flows

Unit: thousand NT dollars

Item	2018	Description
Beginning cash balance	723,548	The balance of the 2017 final account.
Net cash generated from operating activities	279,929	Mainly resulting from the current year profit from operations.
Net cash used in investment activities	263,315	Mainly resulting from the disposal of financial assets at fair value and the disposal of investments accounted for using equity method
Net cash used in financing activities	(358,417)	Mainly resulting from dividends distribution
Cash balance at the end of the year	908,375	The balance of the 2018 final account.

(2) Consolidated statement of cash flows

Unit: thousand NT dollars

Item	2018	Description
Beginning cash balance	2,473,892	The balance of the 2017 final account.
Net cash used in from operating activities	192,434	Mainly resulting from the operation profit of 2018 and decrease in other payable.
Net cash generated investment activities	1,455,843	Mainly resulting from receiving the proceeds from disposal of financial assets at amortised cost and decrease in refundable deposit.
Net cash used in financing activities	(1,001,732)	Mainly resulting from dividends distribution、Repayments of bonds payable and aquisition of ownership interests in subsidiaries.
Impact of changes in exchange rates	(20,356)	Effect of Exchange rate changes.
Cash balance at the end of the year	3,100,081	The balance of the 2018 final account.

4. Analysis and comparison of profitability

(1) Analysis of individual profitability

Item	2018	2017	Description
Return on assets (%)	5.7	5.1	The increase in operating revenue in 2018 led to a slight increase in net operating profit, and due to the increase in non-operating revenue and expense from the “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.
Return on equity(%)	6.8	6.2	The increase in operating revenue in 2018 led to a slight increase in net operating profit, and due to the increase in non-operating revenue and expense from the “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.
Ratio of before-tax profit to the paid-in capital(%)	41.6	35.2	The increase in operating revenue in 2018 led to a slight increase in net operating profit. and due to the increase in non-operating revenue and expense from the “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income before tax has increased.
Net profit margin (%)	12.1	11.2	The increase in operating revenue in 2018 led to a slight increase in net operating profit, and due to the increase in non-operating revenue and expense from the “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net profit margin has increased.
Basic after-tax earnings per share (NT\$) (note)	3.53	3.12	The increase in operating revenue in 2018 led to a slight increase in net operating profit, and due to the increase in non-operating revenue and expense from the “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.

Note: analysis made according to the net profit after tax with weighted-average shares outstanding.

2. Analysis of consolidated profitability

Item	2018	2017	Description
Return on assets (%)	3.9	3.1	The decreases in gross and net operating profits in 2018 compared to the previous year were due to the decrease in gross margin caused by the impact of product portfolio changes brought about by subsidiaries. However, due to the increase in non-operating revenue and expense from the “Profit on Foreign Exchange” and “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.
Return on equity(%)	6.7	5.8	The decreases in gross and net operating profits in 2018 compared to the previous year were due to the decrease in gross margin caused by the impact of product portfolio changes brought about by subsidiaries. However, due to the increase in non-operating revenue and expense from the “Profit on Foreign Exchange” and “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.
Ratio of before-tax profit to the paid-in capital(%)	50.6	43.4	The decreases in gross and net operating profits in 2018 compared to the previous year were due to the decrease in gross margin caused by the impact of product portfolio changes brought about by subsidiaries. However, due to the increase in non-operating revenue and expense from the “Profit on Foreign Exchange” and “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income before tax has increased.

Item	2018	2017	Description
Net profit margin (%)	8.6	7.7	The decreases in gross and net operating profits in 2018 compared to the previous year were due to the decrease in gross margin caused by the impact of product portfolio changes brought about by subsidiaries. However, due to the increase in non-operating revenue and expense from the “Profit on Foreign Exchange” and “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net profit margin has increased.
Basic after-tax earnings per share (NT\$) (note)	3.53	3.12	The decreases in gross and net operating profits in 2018 compared to the previous year were due to the decrease in gross margin caused by the impact of product portfolio changes brought about by subsidiaries. However, due to the increase in non-operating revenue and expense from the “Profit on Foreign Exchange” and “Share of Profit of Associates and Joint Ventures Accounted for Using Equity Method”, net income after tax has increased.

Note: analysis made according to the net profit after tax with weighted-average outstanding shares

5. R&D status

As the Company is not in the manufacturing industry, it has not set up a dedicated R&D division. Instead, its respective business divisions are responsible for expanding the business scopes through agencies and sales distributors of medical care-related sectors.

II. The 2018 business plan

1. Management guidelines

1. Reinforce investment deployment: Cultivate the medical market in Taiwan and actively look for partners in medical business, integrate the upstream and downstream resources in medical market and improve the deployment of distribution channels through reinvestment, while actively engaging in the factories producing dialysate in Malaysia, to develop the hemodialysis market in Southeast Asia, and extend profit sources.

2. Brand strategy: Promote the privately-owned brand of the “ULTRACLEAN” Series of healthy home appliances, and cooperate with Korean leading bio-tech manufacturer, Caregen Co., Ltd. (hereafter referred to as “Caregen”) to promote DR CYJ hair-growth brand products.
 3. Cultivate the market of long-term care services: Cope with the Government’s Ten-Year Long-Term Care Program, actively prepare for the establishment of a long-term care juridical persons, build up community-based long-term care network, strengthen the competency grading of health care services, provide the health care model that integrates medical care with home care services, and expand long-term care service stations to meet the needs of people for health care services.
 4. Establish medical real estate: : Integrate with the professional features of real estate asset management firms to jointly develop the real estate allocation of medical care-related industries.
 5. Hedge currency risk: Reduce the currency risk by using foreign currency hedge instruments in the environment where the global stock and currency markets are facing critical volatility.
2. Expected sales of major products

In 2019, the Company will strive to increase the market share of hemodialysis and surgical products, introduce the relevant medical consumables and equipment, and integrate the resources of the Company and its affiliates to improve the overall operational efficiency, including aesthetic medicine, medical logistics, long-term care, medical real estate, healthy home appliances, and other items, while actively looking for strategic partners in Taiwan and overseas and expanding the sales business area of the Company.

III. Future corporate development strategies

In response to the changes of the market environment, while striving to increase the market share of hemodialysis and surgical products, the Company plans to continuously introduce the relevant medical consumables and equipment, cultivate the medical market channels, integrate the resources of its affiliates, use diversified extension of strategic alliances and strengthen competitiveness to achieve the goal of building a holistic health care holding company, and continue to provide comprehensive health service for the health care industry in the spirit of “attentiveness, independence, innovation, and forward-looking.”

The Company has invested in Dynamic Medical Technologies Inc. (4138.TW), which has mainly engaged in the businesses such as trading and maintenance of domestic aesthetic medical laser equipment, injection filler and aesthetic medical care products. After being listed on the OTC market, it has expanded its business deployment to cover Taiwan, Hong Kong and China, aggressively developed its products and won over the

authorities of product agencies in various regions, with defined beauty as its goal for sustainable endeavors. The subsequent sales force of Dynamic Medical will be placed on the Picoway laser, Ulthera ultrasound, Fotona 4D lift, Hyadermis hyaluronic acid subcutaneous implant、Viveve system、Fotona laser-G、the body sculpture treatment and DR CYJ hair growth products.

The Company has also invested in Arich Enterprise Co., Ltd. (4173.TW), which has engaged in businesses such as domestic pharmaceutical sales and logistics. As Arich Enterprise will aggressively seek cooperation with original manufacturers to strengthen the operation of the GDP transport and fleet management and expand its drug distribution logistics. At the same time, it will cooperate with international pharmaceutical factory to continuously develop and introduce new products related to medical care and nursing care series, so as to reinforce Arich Enterprise's interaction with customers and provide well-rounded professional services.

The Company has also invested in Asia Best Healthcare (ABH), not only builds facilities, such as high-end nursing homes and medical management & health care scenario simulation training centers, but also puts a lot of efforts into planning diverse group activities, making long-term care focus on both physical health and emotional companionship. Besides, in response to the Ten-year Long-term Care Program, it also actively plans to establish a long-term care juridical persons, and a community-based long-term care network in coordination with day care centers and clinics to take care of people's health, strengthen competency grading of health care services, provide a health care model that integrates health care with home care services, furnish people with constant follow-up care and placement to meet the needs of people for health care, and expand long-term care service stations and day care centers in the hope of becoming the best health care company in Asia.

The Company has also invested in EG Healthcare Inc., has cultivated deeply in the Philippines for fifteen years, and because the domestic market demand for medical care in the Philippines has been growing steadily and its medical equipment industry has not yet flourished, the Company will continue to expand the local business of hemodialysis and relevant medical products, provide management consultation and healthcare education and training to improve the quality of its healthcare services, integrate the resources of the Company and its affiliates to develop different medical divisions and products, and use the experience learned in the Philippines to train the staff to become professionals for the manpower needed in Southeast Asia in the future, to lay the foundation for the competitive advantage of sustainable development in Southeast Asia market.

IV. The influences of the external competitive environment, regulatory environment and overall business environment

According to the research report of the Industrial Economics & Knowledge

Center (IEK) of ITRI, the global population aged 65 years or older is expected to peak in 2011-2029. The National Development Council also announced that the proportion of the elderly in Taiwan exceeded 14% of the total population in 2018, and that Taiwan has become an “aged society” as defined by the World Health Organization (WHO). According to the information released by the Ministry of the Interior, as of the end of 2018, the number of elderly people (65 years or older) in Taiwan reached 3,433,517, for an increase of 165,504 compared to that at the end of 2017, and accounting for 14.56% of the total population (23,588,932); it is estimated that by 2026, the elderly population in Taiwan will reach 20%, making Taiwan a super-aged society. The drastic rise of elderly population has made it necessary for young and middle-aged people to seriously face the retired life and health care of their own and their elders, and plan in advance for the elderly health care to meet the needs of the future market. Therefore, in line with the “Ten-Year Long-Term Care Program”, “Long-Term Care Service Network Program”, and the “Long-Term Care Capacity Improvement Program” promoted by the Government, the Company will build a complete long-term health care system in stages.

With the increase in Taiwan’s national income and economic growth in recent years, people are paying more attention to their health, and as the result of population aging and the increase in the number of patients with chronic diseases such as obesity, diabetes, and hypertension, the demand for medical care and related products has increased significantly. Driven by the dynamic adjustment and growth trend of medical supply and demand structure, the Company can bring greater development opportunities to the medical industry.

Fu Hui-Tung, Chairperson



Chang, Ming-Cheng, General Manager



Chou Cheng-Hsiao, Accounting Chief



Appendix 5 : Audit Committee's Review Report

Excelsior Medical Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Excelsior Medical Co., Ltd. Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Excelsior Medical Co., Ltd.. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

For your adoption.

To

The 2019 Annual Shareholders' Meeting

Excelsior Medical Co., Ltd.

Chairman of the Audit Committee: Chan Tzu-Sheng

March 20, 2019

Appendix 6 : Financial Reports

Independent Auditors' Report

To the Board of Directors of Excelsior Medical Co., Ltd.:

Opinion

We have audited the financial statements of Excelsior Medical Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2018 and 2017, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matter that should be disclosed in this report is as follow:

1. Impairment Assessment on Receivables

Please refer to Note (4)(f) for accounting policies of account receivable allowance provision.

Description of the key audit matter:

The management of the Company performed its assessment based on the default risk of accounts receivable and the rate of expected loss. Because the assessment of impairment loss of receivables involves critical accounting estimates, which are subject to the judgment of the management, the assessment of the impairment loss of receivables is deemed to be a key audit matter.

How the matter was addressed in our audit:

Our main audit procedures in response to the assessment of the impairment of receivables were assessing the reasonableness of the methodology and assumptions used by the management for the impairment assessment of receivables and whether the methodology was adopted consistently, testing the reasonableness of the information used by the management for assessing the impairment of receivables, reviewing the accuracy of the calculation of the allowance for receivables, and evaluating the adequacy of the Company's disclosure for impairment of receivables.

Other Matter

We did not audit the financial statements of certain subsidiaries, associates and joint ventures, which represented investment in other entities accounted for using the equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the report of other auditors. The investments in such entities accounted for using the equity method were NT\$380,142 thousand and NT\$1,184,632 thousand, constituting 5% and 15% of the total assets at December 31, 2018 and 2017, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT\$26,130 thousand and NT\$(8,377) thousand, constituting 5% and (2)% of total profit before tax for the years then ended, respectively.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tsao-Jen Wu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 20, 2019

Notes to Readers

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

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

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD.

BALANCE SHEET

DECEMBER 31, 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2018.12.31		2017.12.31	
	Amount	%	Amount	%
ASSETS				
Current assets:				
Cash and cash equivalents	908,375	11	723,548	9
Current financial assets at fair value through profit or loss	15,147	-	-	-
Current available-for-sale financial assets	-	-	45,244	1
Notes receivable	80,070	1	98,181	1
Accounts receivable	334,000	4	317,212	4
Accounts receivable due from related parties	572,016	7	618,479	8
Other receivables	3,660	-	5,308	-
Inventories	605,506	8	626,007	8
Other current assets, others	17,360	-	17,259	-
	<u>2,536,134</u>	<u>31</u>	<u>2,451,238</u>	<u>31</u>
Non-current assets:				
Non-current financial assets at fair value through other comprehensive income	345,814	4	-	-
Non-current available-for-sale financial assets	-	-	266,098	3
Non-current financial assets at cost	-	-	156,886	2
Investments accounted for using equity method	4,916,518	60	4,590,473	59
Property, plant and equipment	185,825	2	173,537	2
Investment property	194,209	2	197,114	3
Intangible assets	1,325	-	1,149	-
Deferred tax assets	42,710	1	30,667	-
Other non-current financial assets	10,862	-	9,112	-
Other non-current assets, others	7,071	-	15,756	-
	<u>5,704,334</u>	<u>69</u>	<u>5,420,792</u>	<u>69</u>
TOTAL ASSETS	\$ 8,240,468	100	\$ 7,872,030	100
LIABILITIES AND EQUITY				
Current liabilities:				
Current financial liabilities at fair value through profit or loss	-	-	-	-
Notes payable	604	-	-	-
Accounts payable	733,662	9	749,411	10
Other payables	157,002	2	160,411	2
Current tax liabilities	38,666	-	34,164	-
Bonds payable, current portion	-	-	11,273	-
Other current liabilities, others	14,337	-	16,971	-
	<u>944,271</u>	<u>11</u>	<u>975,854</u>	<u>12</u>
Non-current liabilities:				
Deferred tax liabilities	86,874	1	68,360	1
Long-term accounts payable to a related party	393,109	5	387,647	5
Net defined benefit liability	1,017	-	9,362	-
Other non-current liabilities, others	8,356	-	14,338	-
	<u>489,356</u>	<u>6</u>	<u>479,707</u>	<u>6</u>
Total liabilities	1,433,627	17	1,455,561	18
Equity attributable to owners of parent:				
Share capital	1,281,490	16	1,278,274	16
Capital surplus	2,812,704	34	2,804,995	36
Retained earnings	2,739,276	33	2,596,032	33
Other equity interest	(26,622)	-	(262,832)	(3)
	<u>6,806,841</u>	<u>83</u>	<u>6,416,469</u>	<u>82</u>
TOTAL LIABILITIES AND EQUITY	\$ 8,240,468	100	\$ 7,872,030	100

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the Years Ended December 31,			
		2018		2017	
		Amount	%	Amount	%
4000	Operating revenue	\$ 3,733,339	100	3,561,288	100
5000	Operating costs	3,130,077	84	2,940,934	83
	Gross profit from operations	603,262	16	620,354	17
5910	Less: Unrealized profit from sales	125,043	3	111,180	3
5920	Add: Realized profit from sales	125,102	3	110,587	3
		603,321	16	619,761	17
	Operating expenses:				
6100	Selling expenses	192,106	5	223,898	6
6200	Administrative expenses	130,868	3	128,060	4
6450	Expected credit loss	741	-	-	-
		323,715	8	351,958	10
	Net operating income	279,606	8	267,803	7
	Non-operating income and expenses:				
7010	Other income	6,433	-	5,119	-
7020	Other gains and losses	14,325	-	(596)	-
7050	Finance costs	(5,511)	-	(5,640)	-
7060	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	238,526	6	182,587	5
	Total non-operating income and expenses	253,773	6	181,470	5
7900	Profit before tax	533,379	14	449,273	12
7950	Less: Tax expense	81,817	2	50,226	1
	Profit	451,562	12	399,047	11
	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit and loss				
8311	Losses remeasurements of defined benefit plans	(932)	-	(3,712)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(6,738)	-	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(38,633)	(1)	(4,800)	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	12,839	-	1,425	-
	Total items that will not be reclassified subsequently to profit and loss	(33,464)	(1)	(7,087)	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation	(6,585)	-	(116,048)	(3)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	(24,014)	(1)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,562	-	(23,848)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	3,506	-	16,156	1
	Total items that will be reclassified subsequently to profit and loss	(517)	-	(147,754)	(4)
	Other comprehensive income, net	(33,981)	(1)	(154,841)	(4)
8500	Total comprehensive income for the year	\$ 417,581	11	244,206	7
	Earnings per share attributable to parent company				
9750	Basic earnings per share (NT dollars)	\$	3.53	\$	3.12
9850	Diluted earnings per share (NT dollars)	\$	3.50	\$	3.10

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Share capital		Retained earnings				Other equity items			Total equity	
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on financial assets available for sale		Others
Balance at January 1, 2017	1,275,815	427	2,825,966	603,022	-	1,922,369	42,054	-	55,227	(212,359)	6,512,521
Profit for the year	-	-	-	-	-	399,047	-	-	-	-	399,047
Other comprehensive income (loss) for the year	-	-	-	-	-	(7,087)	(103,073)	-	(44,681)	-	(154,841)
Total comprehensive income (loss) for the year	-	-	-	-	-	391,960	(103,073)	-	(44,681)	-	244,206
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	38,956	-	(38,956)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	115,078	(115,078)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(319,067)	-	-	-	-	(319,067)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	(1,321)	-	-	-	-	(1,257)
Conversion of convertible bonds	-	2,032	-	64	-	-	-	-	-	-	7,351
Conversion of certificates of bonds-to-share	1,840	(1,840)	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(26,354)	-	-	(931)	-	-	-	-	(27,285)
Balance at December 31, 2017	1,277,655	619	2,804,995	641,978	115,078	1,838,976	(61,019)	-	10,546	(212,359)	6,416,469
Effects of retrospective application	-	-	-	-	-	21,345	-	-	97,579	-	108,378
Equity at beginning of period after adjustments	1,277,655	619	2,804,995	641,978	115,078	1,860,321	(61,019)	-	97,579	(212,359)	6,524,847
Profit for the year	-	-	-	-	-	451,562	-	-	-	-	451,562
Other comprehensive income (loss) for the year	-	-	-	-	-	(6,117)	(517)	-	(27,347)	-	(33,981)
Total comprehensive income (loss) for the year	-	-	-	-	-	445,445	(517)	-	(27,347)	-	417,581
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	39,905	-	(39,905)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	147,754	(147,754)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(357,917)	-	-	-	-	(357,917)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(264)	-	-	(954)	-	-	-	-	(1,218)
Conversion of convertible bonds	-	3,216	8,079	-	-	-	-	-	-	-	11,295
Conversion of certificates of bonds-to-share	3,835	(3,835)	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	(106)	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	212,359	212,353
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	35,375	-	-	(35,375)	-	-
Balance at December 31, 2018	1,281,490	-	2,812,704	681,883	262,832	1,794,561	(61,536)	-	34,907	-	6,806,841

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2018	2017
Cash flows from operating activities:		
Profit before tax	\$ 533,379	449,273
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	24,064	22,174
Amortization expense	1,685	1,575
Expected credit loss / Provision for bad debt expense	741	511
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(307)	16,681
Interest expense	5,511	5,640
Interest income	(3,827)	(762)
Dividend income	(2,606)	(4,357)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(238,526)	(182,587)
Loss on disposal of property, plan and equipment	319	-
Gain on disposal of investment properties	-	(4,820)
Gain on disposal of investments	-	(4,550)
Gain on disposal of investments accounted for using equity method	(373)	-
Impairment loss on financial assets	-	5,000
Impairment loss on non-financial assets	838	3,213
Unrealized profit from sales	125,043	111,180
Realized profit from sales	(125,102)	(110,587)
Total adjustments to reconcile profit (loss)	(212,540)	(141,689)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets held for trading	-	(8,465)
Notes receivable	18,111	(1,166)
Accounts receivable	(17,529)	(33,519)
Accounts receivable due from related parties	46,463	21,406
Other receivable	2,542	44
Inventories	(7,517)	(66,778)
Other current assets	(101)	806
Total changes in operating assets	41,969	(87,672)
Changes in operating liabilities:		
Financial liabilities held for trading	(1,441)	-
Notes payable	(1,438)	1,690
Accounts payable	(15,749)	(160,694)
Other payable	(3,409)	16,216
Other current liabilities	(2,634)	(29,475)
Net defined benefit liability	(884)	(823)
Deferred credits	(5,729)	(5,731)
Total changes in operating liabilities	(31,284)	(178,817)
Total changes in operating assets and liabilities	10,685	(266,489)
Total adjustments	(201,855)	(408,178)
Cash inflow generated from operations	331,524	41,095
Interest received	2,933	762
Income taxes paid	(54,528)	(27,610)
Net cash flows from operating activities	279,929	14,247

(ENGLISH TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2018	2017
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	56,312	-
Proceeds from disposal of financial assets at fair value through profit or loss	30,263	-
Proceeds from disposal of available-for-sale financial assets	-	10,517
Acquisition of financial assets at cost	-	(37,283)
Acquisition of investments accounted for using equity method	-	(129,543)
Proceeds from disposal of investments accounted for using equity method	106,599	-
Acquisition of property, plant and equipment	(6,389)	(3,008)
Proceeds from disposal of property, plant and equipment	22	-
Acquisition of intangible assets	(907)	(960)
Net cash inflows from business combination	-	38,808
Proceeds from disposal of investment properties	-	24,105
Increase in other financial assets	(1,750)	(1,015)
Decrease in other non-current assets	(878)	(396)
Dividends received	80,043	73,823
Net cash flows from (used in) investing activities	263,315	(24,952)
Cash flows from financing activities:		
Decrease in guarantee deposits received	(500)	-
Increase in other payables to a related party	5,462	5,386
Cash dividends paid	(357,917)	(319,067)
Interest paid	(5,462)	(5,386)
Net cash flows used in financing activities	(358,417)	(319,067)
Net increase (decrease) in cash and cash equivalents	184,827	(329,772)
Cash and cash equivalents at beginning of period	723,548	1,053,320
Cash and cash equivalents at end of period	\$ 908,375	723,548

Independent Auditors' Report

To the Board of Directors of Excelsior Medical Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Excelsior Medical Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2018 and 2017, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards (" IASs "), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matter that should be disclosed in this report is as follows:

1. Impairment Assessment on Receivables

Please refer to Note (4)(g) for accounting policies of account receivable allowance provision.

Description of key audit matter:

The management of the Group performed its assessment based on the default risk of accounts receivable and the rate of expected loss. Because the assessment of impairment loss of receivables involves critical accounting estimates, which are subject to the judgment of the management, the assessment of the impairment loss of receivables is deemed to be a key audit matter.

How the matter was addressed in our audit:

Our main audit procedures in response to the assessment of the impairment of receivables were assessing the reasonableness of the methodology and assumptions used by the management for the impairment assessment of receivables and whether the methodology was adopted consistently, testing the reasonableness of the information used by the management for assessing the impairment of receivables, reviewing the accuracy of the calculation of the allowance for receivables, and evaluating the adequacy of the Group's disclosure for impairment of receivables.

Other Matter

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the report of other auditors. As of December 31, 2017, the total assets of these subsidiaries were NT\$1,087,267 thousand, constituting 7% of consolidated total assets. The total operating revenues of these subsidiaries for the year ended December 31, 2017 were NT\$62,321 thousand, constituting 1% of consolidated total operating revenues. We also did not audit the financial statements of certain associates and joint ventures, which represented investment in other entities accounted for using the equity method of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the reports of other auditors. As of December 31, 2018 and 2017, the carrying amounts of these investments were NT\$215,973 thousand and NT\$310,467 thousand, respectively, both were constituting 2% of consolidated total assets. The share of comprehensive income of associates and joint ventures accounted for using the equity method for the years ended December 31, 2018 and 2017, amounted to NT\$17,967 thousand and NT\$17,748 thousand, respectively, both were constituting 4% of consolidated total comprehensive income.

Excelsior Medical Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2018 and 2017, on which we have issued an unmodified opinion with an Other Matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tsao-Jen Wu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 20, 2019

Notes to Readers

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

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

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2018.12.31		2017.12.31	
	Amount	%	Amount	%
ASSETS				
Current assets:				
1100 Cash and cash equivalents (Note (6)(a))	\$ 3,100,081	22	2,473,892	16
1110 Current financial assets at fair value through profit or loss (Note (6)(b))	15,168	-	700	-
1126 Current available-for-sale financial assets (Note (6)(d))	-	-	45,244	-
1136 Current financial assets at amortized cost (Note (6)(e))	233,664	2	-	-
1147 Current investments in debt instrument without active market (Note (6)(g))	-	-	925,192	6
1151 Notes receivable (Notes (6)(h), (7) and (8))	382,138	3	362,447	2
1152 Other notes receivable (Notes (6)(h), (7) and (8))	360,254	3	390,405	3
1170 Accounts receivable (Notes (6)(h), (7) and (8))	1,223,123	9	1,446,820	10
1200 Other receivables (Notes (6)(h), (7) and (8))	3,405,421	24	3,562,727	24
130X Inventories (Note (6)(i))	1,008,284	7	1,121,982	8
1476 Other current financial assets (Note (8))	74,853	-	80,535	1
1479 Other current assets, others	136,292	1	120,946	1
	9,939,278	71	10,530,890	71
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	714,418	5	-	-
1523 Non-current available-for-sale financial assets (Note (6)(d))	-	-	389,967	2
1543 Non-current financial assets at cost (Note (6)(f))	-	-	229,782	2
1550 Investments accounted for using equity method (Note (6)(j))	2,418,116	17	2,508,952	17
1600 Property, plant and equipment (Notes (6)(r) and (8))	286,345	2	270,490	2
1760 Investment property, net (Note (6)(g))	194,209	2	197,114	1
1780 Intangible assets (Note (6)(p))	39,585	-	39,901	-
1840 Deferred tax assets (Note (6)(z))	198,713	2	160,832	1
1920 Long-term notes and accounts receivable (Note (6)(h))	27,591	-	42,598	-
1975 Net defined benefit asset (Note (6)(y))	2,592	-	10,431	-
1980 Other non-current financial assets (Note (8))	134,384	1	544,747	4
1990 Other non-current assets, others	25,639	-	25,775	-
	4,041,592	29	4,420,589	29
TOTAL ASSETS	\$ 13,980,870	100	14,951,479	100
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings (Note (6)(g))	2100		2100	
Current financial liabilities at fair value through profit or loss (Note (6)(b))	2120		2120	
Current contract liabilities	2130		2130	
Notes payable	50		50	
Accounts payable (Note (7))	2170		2170	
Other payables (Notes (6)(l) and (7))	2200		2200	
Current tax liabilities	2230		2230	
Bonds payable, current portion (Note (6)(8))	2321		2321	
Other current liabilities, others (Notes (6)(u), (v), (w) and (7))	2399		2399	
	106,989	1	589,124	4
	5,105,976	36	6,406,076	43
Non-Current liabilities:				
Deferred tax liabilities (Note (6)(z))	2570		2570	
Long-term accounts payable to a related party (Note (7))	2622		2622	
Net defined benefit liability (Note (6)(y))	2640		2640	
Other non-current liabilities, others (Notes (6)(v) and (7))	2670		2670	
	105,553	1	85,577	1
	393,109	3	387,647	2
	21,911	-	29,655	-
	11,918	-	17,721	-
	532,491	4	520,600	3
	5,638,467	40	6,926,676	46
Total liabilities				
Equity attributable to owners of parent (Note (6)(aa)):				
Share capital	1,281,490	9	1,278,274	9
Capital surplus	2,812,704	20	2,804,995	19
Retained earnings	2,739,276	20	2,596,032	17
Other equity interest	(26,629)	-	(262,832)	(2)
Total equity attributable to owners of parent	6,806,841	49	6,416,469	43
Non-controlling interests (Note (6)(b))	1,535,562	11	1,608,334	11
Total equity	8,342,403	60	8,024,803	54
	13,980,870	100	14,951,479	100

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

		For the Years Ended December 31,			
		2018		2017	
		Amount	%	Amount	%
4000	Operating revenue (Notes (6)(ac), (ad) and (7))	\$ 6,345,031	100	6,095,337	100
5000	Operating costs (Note (6)(l))	5,145,925	81	4,888,446	80
	Gross profit from operations	1,199,106	19	1,206,891	20
5910	Less: Unrealized profit from sales	125,043	2	111,180	2
5920	Add: Realized profit from sales	125,102	2	110,587	2
		1,199,165	19	1,206,298	20
	Operating expenses:				
6100	Selling expenses	489,605	8	483,736	8
6200	Administrative expenses	259,316	4	270,000	5
6450	Expected credit loss (Note (6)(h))	12,125	-	-	-
		761,046	12	753,736	13
	Net operating income	438,119	7	452,562	7
	Non-operating income and expenses:				
7010	Other income (Note (6)(af))	46,850	1	51,985	1
7020	Other gains and losses (Notes (6)(af) and (7))	25,961	-	(26,102)	-
7050	Finance costs (Note (6)(af))	(22,045)	-	(31,781)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(j))	159,615	3	107,573	2
		210,381	4	101,675	2
7900	Profit before tax	648,500	11	554,237	9
7950	Less: Tax expense (Note (6)(z))	100,077	2	83,229	1
	Profit	548,423	9	471,008	8
	Other comprehensive income (loss):				
	Items that will not be reclassified subsequently to profit and loss				
8311	Losses remeasurements of defined benefit plans	(169)	-	(3,742)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(47,201)	(1)	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(5,122)	-	(4,849)	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	15,377	-	1,409	-
	Total items that will not be reclassified subsequently to profit and loss	(37,115)	(1)	(7,182)	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation	(57,498)	(1)	(116,530)	(2)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	(40,324)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	44,325	1	(32,324)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,899	-	18,620	-
	Total items that will be reclassified subsequently to profit and loss	(11,274)	-	(170,558)	(3)
	Other comprehensive income, net	(48,389)	(1)	(177,740)	(3)
8500	Total comprehensive income	\$ 500,034	8	293,268	5
	Profit attributable to:				
8610	Owners of parent	\$ 451,562	7	399,047	7
8620	Non-controlling interests	96,861	2	71,961	1
		\$ 548,423	9	471,008	8
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 417,581	7	244,206	4
8720	Non-controlling interests	82,453	1	49,062	1
		\$ 500,034	8	293,268	5
	Earnings per share (Note (6)(ab))				
9750	Basic earnings per share (NT dollars)	\$ 3.53		3.12	
9850	Diluted earnings per share (NT dollars)	\$ 3.50		3.10	

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of parent										Total equity	
	Share capital					Retained earnings						Total other equity interest
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on financial assets available for sale	Others	Equity attributable to owners of parent	Non-controlling interests
Balance at January 1, 2017	1,275,815	427	2,825,966	603,022	-	1,922,369	42,054	-	55,227	(212,359)	6,512,521	1,796,039
Profit for the year	-	-	-	-	-	399,047	-	-	-	-	399,047	71,961
Other comprehensive income (loss) for the year	-	-	-	-	-	(7,087)	(103,073)	-	(44,681)	-	(154,841)	(22,899)
Total comprehensive income (loss) for the year	-	-	-	-	-	391,960	(103,073)	-	(44,681)	-	244,206	49,062
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	38,956	-	(38,956)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	115,078	(115,078)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(319,067)	-	-	-	-	(319,067)	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	64	-	-	(1,321)	-	-	-	-	(1,257)	-
Conversion of convertible bonds	-	2,032	5,319	-	-	-	-	-	-	-	7,351	-
Conversion of certificates of bonds-to-share	1,840	(1,840)	(26,354)	-	-	(931)	-	-	-	-	(27,285)	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(156,640)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(80,127)
Balance at December 31, 2017	1,277,655	619	2,804,995	641,978	115,078	1,838,976	(61,019)	-	10,546	(212,359)	6,416,469	1,608,334
Effects of retrospective application	-	-	-	-	-	21,345	(61,019)	-	(10,546)	-	108,378	89,400
Equity at beginning of period after adjustments	1,277,655	619	2,804,995	641,978	115,078	1,860,321	(61,019)	-	97,579	(212,359)	6,524,847	1,697,734
Profit for the year	-	-	-	-	-	451,562	-	-	-	-	451,562	96,861
Other comprehensive income (loss) for the year	-	-	-	-	-	(6,117)	(517)	-	-	-	(33,981)	(14,408)
Total comprehensive income (loss) for the year	-	-	-	-	-	445,445	(517)	-	-	-	417,581	82,453
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	39,905	-	(39,905)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	147,754	(147,754)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(357,917)	-	-	-	-	(357,917)	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(264)	-	-	(954)	-	-	-	-	(1,218)	-
Conversion of convertible bonds	-	3,216	8,079	-	-	-	-	-	-	-	11,295	-
Conversion of certificates of bonds-to-share	-	(3,835)	(106)	-	-	-	-	-	-	-	212,253	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(170,943)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(73,682)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	35,325	(35,325)	-	-	-	6,806,841	1,535,562
Balance at December 31, 2018	1,281,690	-	2,812,704	681,883	262,832	1,794,561	(61,536)	-	34,907	-	6,806,841	1,535,562
												8,342,403

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2018	2017
Cashflows from operating activities:		
Profit before tax	\$ 648,500	554,237
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	73,720	74,508
Amortization expense	6,547	10,307
Expected credit loss / Reversal of provision for bad debt expense	12,125	(21,623)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	380	16,636
Interest expense	22,045	31,781
Interest income	(28,867)	(38,243)
Dividend income	(14,681)	(13,301)
Share of profit of associates and joint ventures accounted for using equity method	(159,615)	(107,573)
(Gain) loss on disposal of property, plan and equipment	(525)	544
Gain on disposal of investment property	-	(4,820)
Loss (gain) on disposal of investments	2,780	(4,550)
Gain on disposal of subsidiaries	-	(2,620)
Impairment loss on financial assets	-	5,000
Impairment loss on non-financial assets	-	1,489
Reversal of impairment loss on non-financial assets	(6,490)	-
Unrealized profit from sales	125,043	111,180
Realized profit from sales	(125,102)	(110,587)
Others	(248)	(8,723)
Total adjustments to reconcile profit (loss)	<u>(92,888)</u>	<u>(60,595)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets held for trading	-	(9,986)
Notes receivable	(19,282)	42,182
Accounts receivable	209,570	(148,701)
Other receivables	182,201	1,244,175
Inventories	65,661	(155,417)
Net defined benefit asset	(237)	(262)
Other current assets	(15,966)	7,347
Other operating assets	15,007	(23,148)
Total changes in operating assets	<u>436,954</u>	<u>956,190</u>
Changes in operating liabilities:		
Financial liabilities held for trading	(1,441)	1,582
Contract liabilities	33,318	-
Notes payable	162	1,690
Accounts payable	(14,819)	(199,990)
Other payables	(762,368)	(1,549,695)
Other current liabilities	12,352	(122,577)
Net defined benefit liability	162	(1,111)
Other operating liabilities	(5,181)	(5,777)
Total changes in operating liabilities	<u>(737,815)</u>	<u>(1,875,878)</u>
Total changes in operating assets and liabilities	<u>(300,861)</u>	<u>(919,688)</u>
Total adjustments	<u>(393,749)</u>	<u>(980,283)</u>
Cash inflow (outflow) generated from operations	254,751	(426,046)
Interest received	32,011	38,361
Income taxes paid	(94,328)	(99,703)
Net cash flows from (used in) operating activities	<u>192,434</u>	<u>(487,388)</u>

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)
EXCELSIOR MEDICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>For the Years Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	56,312	-
Acquisition of financial assets at amortized cost	(1,027,056)	-
Proceeds from disposal of financial assets at amortized cost	1,716,236	-
Proceeds from disposal of financial assets at fair value through profit or loss	30,263	-
Proceeds from disposal of available-for-sale financial assets	-	10,517
Acquisition of investments in debt instrument without active market	-	(715,670)
Proceeds from disposal of investments in debt instrument without active market	-	704,797
Acquisition of financial assets at cost	-	(37,283)
Acquisition of investments accounted for using equity method	(25,262)	(119,545)
Proceeds from disposal of investments accounted for using equity method	128,402	-
Net cash flow from disposal of subsidiaries	-	17,184
Proceeds from capital reduction of investments accounted for using equity method	84,953	-
Acquisition of property, plant and equipment	(33,040)	(34,193)
Proceeds from disposal of property, plant and equipment	1,321	9,915
Increase in refundable deposits	(2,540)	(17,109)
Decrease in refundable deposits	413,965	10,400
Acquisition of intangible assets	(3,189)	(2,678)
Proceeds from disposal of investment property	-	24,105
Decrease in receivables for disposal of investments	-	34,742
Decrease in receivables for disposal of subsidiaries	-	28,379
Decrease in other financial assets	4,682	400,995
Decrease in other non-current assets	15,835	540
Dividends received	94,961	110,874
Net cash flows from investing activities	<u>1,455,843</u>	<u>425,970</u>
Cash flows from financing activities:		
Increase in short-term borrowings	-	255,000
Decrease in short-term borrowings	(50,000)	-
Repayments of bonds	(300,000)	-
Repayments of long-term borrowings	-	(9,920)
Decrease in guarantee deposits received	(622)	(48)
Cash dividends paid	(357,917)	(319,067)
Acquisition of ownership interests in subsidiaries	(203,787)	(129,870)
Interest paid	(15,724)	(19,173)
Change in non-controlling interests	(73,682)	(80,127)
Net cash flows used in financing activities	<u>(1,001,732)</u>	<u>(303,205)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(20,356)</u>	<u>(38,251)</u>
Net increase (decrease) in cash and cash equivalents	<u>626,189</u>	<u>(402,874)</u>
Cash and cash equivalents at beginning of period	<u>2,473,892</u>	<u>2,876,766</u>
Cash and cash equivalents at end of period	<u>\$ 3,100,081</u>	<u>2,473,892</u>

Appendix 7 : Comparison Table of Amendments to the “Articles of Incorporation”

Excelsior Medical Co., Ltd.
Comparison Table of Amendments to the Articles of Incorporation

Amended Article	After Amendment	Before Amendment	Reason for amendment
Article 6	<p>The Company’s total capital is two billion NT dollars, which is divided into two hundred million shares with a face value of ten NT dollars per share. For the unissued shares, the Board of Directors is authorized to issue them in installments as required by business needs. Out of the preceding total capital, one hundred million NT dollars is reserved for exercise of the warrants covering employee stock option warrants, corporate bonds with warrants and preferred shares with warrants, which may be issued in installments.</p> <p><u>A company issuing share subscription warrant, restricted stock, issue new shares or buy back shares in accordance with the law for employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive share subscription warrant.</u></p>	<p>The Company’s total capital is two billion NT dollars, which is divided into two hundred million shares with a face value of ten NT dollars per share. For the unissued shares, the Board of Directors is authorized to issue them in installments as required by business needs. Out of the preceding total capital, one hundred million NT dollars is reserved for exercise of the warrants covering employee stock option warrants, corporate bonds with warrants and preferred shares with warrants, which may be issued in installments.</p>	Modified with the need of future business of the company, added business items fractionally and the new Company Acts
Article 7	<p>The Company’s stock is registered shares, which shall be affixed with the signature or seal <u>by a director on behalf of the company</u> and issued after certification by law. The stock shall be produced in accordance with Article 162 of the Company Act. When issuing new shares, such new shares may be exempt from printing share certificates, but shall be registered with the Centralized Securities Depository Enterprise.</p>	<p>The Company’s stock is registered shares, which shall be affixed with the signature or seal of more than three directors and issued after certification by law. The stock shall be produced in accordance with Article 162 of the Company Act. When issuing new shares, such new shares may be exempt from printing share certificates, but shall be registered with the Centralized Securities Depository Enterprise.</p>	Modified with the new Company Acts
Chapter 4	Directors and managerial officers	Directors, Supervisors and managerial officers	The audit committee has been set up, so the supervisor’s text is deleted.
Article 25	<p>If the Company has any annual profit (referring to the net profit before deducting employee compensation and director remuneration from before-tax profit), it shall allocate an amount no less than 1% for employee compensation and no more than 5% as director remuneration. However, in the circumstance where the Company has accumulated loss (including adjustment of undistributed earnings), an allowance for the loss shall be set aside in advance.</p> <p>The preceding employee compensation shall be distributed by stock or cash, and the recipients shall cover the employees of the subordinate companies meeting the terms set up by the Board of Directors. The preceding director remuneration shall be paid by cash only.</p> <p>The preceding two issues shall be resolved by the Board of Directors, and reported to the Board of Shareholders.</p>	<p>If the Company has any annual profit (referring to the net profit before deducting employee compensation and director remuneration from before-tax profit), it shall allocate an amount no less than 1% for employee compensation and no more than 5% as director remuneration. However, in the circumstance where the Company has accumulated loss (including adjustment of undistributed earnings), an allowance for the loss shall be set aside in advance.</p> <p>The preceding employee compensation shall be distributed by stock or cash, and the recipients shall cover the employees of the subordinate companies meeting the terms set up by the Board of Directors. The preceding director remuneration shall be paid by cash only.</p> <p>The preceding two issues shall be resolved by the Board of Directors, and reported to the Board of Shareholders.</p> <p>Prior to the Company setting up its audit committee, the supervisor’s remuneration shall be</p>	The audit committee has been set up, so the supervisor’s text is deleted.

Amended Article	After Amendment	Before Amendment	Reason for amendment
		included in the director's remuneration, which shall be distributed with an amount no more than 5% of the Company's annual profit and subject to this Article.	
Article 25-1	<p>If the Company has any current period after-tax profit left in its financial statements, it shall first use the profit to cover accumulated loss (including adjustment of undistributed earnings), followed by setting 10% aside as the legal reserve. However, it is not limited to the situation where the legal reserve already reaches the Company's total paid-in capital. Furthermore, a special reserve shall be allocated or reversed in accordance with statutory laws and regulations or competent authorities' stipulations. Afterwards, the Board of Directors shall draft a profits distribution proposal for the remaining earnings along with the beginning undistributed earnings (including adjustment of undistributed earnings) and put it forth to the shareholders' meeting for resolution of shareholder dividend and bonus distribution</p> <p><u>The company may authorize the distributable dividends , bonuses , capital reserve or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</u></p>	<p>If the Company has any current period after-tax profit left in its financial statements, it shall first use the profit to cover accumulated loss (including adjustment of undistributed earnings), followed by setting 10% aside as the legal reserve. However, it is not limited to the situation where the legal reserve already reaches the Company's total paid-in capital. Furthermore, a special reserve shall be allocated or reversed in accordance with statutory laws and regulations or competent authorities' stipulations. Afterwards, the Board of Directors shall draft a profits distribution proposal for the remaining earnings along with the beginning undistributed earnings (including adjustment of undistributed earnings) and put it forth to the shareholders' meeting for resolution of shareholder dividend and bonus distribution.</p>	Modified with the need of future business of the company, added business items fractionally and the new Company Acts
Article 26	<p>The Company sets up its dividend policy in conjunction with its current and future development plan and by taking the investment environment, capital requirements and local and foreign competition status into account, whereas the Company also concurrently considers shareholders' interests. With which, after recovering its accumulated loss (including adjustment of undistributed earnings) from the current year after-tax profit and setting aside a 10% legal reserve, the Company shall allocate an amount no less than 20% of the remaining amount for the shareholder dividend and bonus. The shareholder dividend and bonus can be distributed by either cash or stock, in which the cash dividend shall be no less than 20% of the total dividend amount.</p>	<p>The Company sets up its dividend policy in conjunction with its current and future development plan and by taking the investment environment, capital requirements and local and foreign competition status into account, whereas the Company also concurrently considers shareholders' interests. With which, after recovering its accumulated loss (including adjustment of undistributed earnings) from the current year after-tax profit and setting aside a 10% legal reserve, the Company shall allocate an amount no less than 20% of the remaining amount for the shareholder dividend and bonus. The shareholder dividend and bonus can be distributed by either cash or stock, in which the cash dividend shall be no less than 20% of the total dividend amount.</p>	Adjustment chapter
Article 28	<p>The Articles of Incorporation was instituted on January 27, 1988 (The first ~ thirty-four revision skipped). The thirty-five revision was on June 18, 2019.</p>	<p>The Articles of Incorporation was instituted on January 27, 1988 (The first ~ thirty-four revision skipped).</p>	Add the date of the 35 rd revision.

Appendix 8 : Comparison Table of Amendments to the “Operational Procedures for Acquisition and Disposal of Assets”

Excelsior Medical Co., Ltd.

Comparison Table of Amendments to the Operational Procedures for Acquisition and Disposal of Assets

Amended Article	After Amendment	Before Amendment	Reason for amendment
Article 2	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. <u>Right-of-use assets</u>. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7. Derivatives. 8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 9. Other major assets. 	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, rights-to-use-land and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 6. Derivatives. 7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 8. Other major assets. 	Modified with the act.
Article 3	<p>The Scope of Investment and Amount of the Company and its Subsidiaries in accordance with the Procedure</p> <ol style="list-style-type: none"> 1. The total amount of non-operating real estate <u>and its right-of-use assets</u> thereof is limited to 15% of the net worth. (The rest are the same and skipped) 	<p>The Scope of Investment and Amount of the Company and its Subsidiaries in accordance with the Procedure</p> <ol style="list-style-type: none"> 1. The total amount of non-operating real estate is limited to 15% of the net worth. (The rest are the same and skipped) 	Modified with the act.
Article 4	<p>The procedure to disclose the information on acquisition or disposal of the assets defined by the Operational Procedures is as follows:</p> <ol style="list-style-type: none"> 1. Items required to be publicly announced and reported, and the public announcement and reporting standards. 1. Acquisition or disposal of real property or <u>right-of-use assets</u> thereof from or to a related party, or acquisition or disposal of assets other than real property or <u>right-of-use assets</u> thereof from or to a related party where 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; provided, this shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale 	<p>The procedure to disclose the information on acquisition or disposal of the assets defined by the Operational Procedures is as follows:</p> <ol style="list-style-type: none"> 1. Items required to be publicly announced and reported, and the public announcement and reporting standards. 1 Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where 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; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 	Modified with the act.

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</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. Where equipment or <u>right-of-use assets</u> thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p style="padding-left: 20px;">A. Where the paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p style="padding-left: 20px;">B. Where the paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. <u>Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</u></p> <p>6. Where land is acquired under an arrangement on 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, and furthermore <u>the transaction counterparty is not a related party</u>, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p style="padding-left: 20px;">A. Trading of <u>domestic government bonds</u>.</p> <p style="padding-left: 20px;">B. Where done by professional investors—securities trading on</p>	<p>2. Merger, demerger, acquisition, or transfer of shares.</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. Where equipment or <u>right-of-use assets</u> thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>5. Where the equipment for business use, and the trading counter party is not a related party, in which the transaction amount shall meet any of the following terms:</p> <p style="padding-left: 20px;">1. Where the paid-in capital is less than NT\$10 billion, and the transaction amount is more than NT\$500 million.</p> <p style="padding-left: 20px;">2. Where the paid-in capital is over NT\$10 billion and the transaction amount is more than NT\$1 billion.</p> <p>6. Where the real estate is acquired or disposed for construction use when engaging in the construction business, the trading counter party is not a related party and the transaction amount is more than NT\$500 million.</p> <p>7. Where the real estate is acquired in the form of construction assigned by the land owner or for the leased land, joint construction and allocation of housing units or ownership percentages, or joint construction with separate sale, and the transaction amount is expected to be more than NT\$500 million.</p> <p>8. Where the amount of an asset transaction, disposal of receivables by a financial institution, or an investment in China, other than those referred to in the preceding <u>six</u> subparagraphs, reaches 20% of the Company's paid-in capital, or is more than NT\$300 million. Nevertheless, the circumstances below are not applicable:</p> <p style="padding-left: 20px;">1. Trading of government bonds.</p> <p style="padding-left: 20px;">2. The securities trading conducted by the Company when engaging in the investment business at domestic and foreign securities exchanges or securities firms' sales outlets, or the <u>subscription, offer or issuance of common corporate bonds in the domestic primary market and general financial debentures not involving equity</u>.</p> <p style="padding-left: 20px;">3. Trading of bonds under repurchase and resale agreement, subscription or <u>repurchase of the money market funds issued by domestic securities investment trust enterprises</u>.</p> <p>9. Calculation of the trading amounts referred to in the preceding seven subparagraphs is as follows. Also, the "within one year" refers to the one year time immediately</p>	

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (<u>excluding subordinated debt</u>) that are offered <u>and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.</u></p> <p>C. 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>8. The amount of transactions above shall be calculated as follows, also, the “within one year” refers to the one year time immediately before the occurrence day of this transaction. The part which was already publicly announced as stipulated can be exempted from the calculation</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. <p>(The rest are the same and skipped)</p>	<p>before the occurrence day of this transaction. The part which was already publicly announced as stipulated can be exempted from the calculation.</p> <ol style="list-style-type: none"> 1. The amount of each individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of subject matter with the same trading counterparty within one year. 3. The cumulative transaction amount of real estate acquisitions and disposals (acquisitions and disposals are accumulated separately) of the same development project within one year. 4. The cumulative transaction amount of acquisitions or disposals (acquisitions and disposals are accumulated separately) of the same securities within one year. <p>(The rest are the same and skipped)</p>	
Article 5	<p>When acquiring or disposing of assets, the Company shall follow the stipulations below to entrust objective, impartial, detached and independent experts to issue a report respectively in accordance with the asset type:</p> <ol style="list-style-type: none"> 1. In acquiring or disposing of real property, equipment, <u>or right-of-use assets</u> thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a <u>domestic government agency</u>, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or right-of-use assets</u> thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a 	<p>When acquiring or disposing of assets, the Company shall follow the stipulations below to entrust objective, impartial, detached and independent experts to issue a report respectively in accordance with the asset type:</p> <ol style="list-style-type: none"> 1. For acquisition or disposal of real estate or equipment, except for transactions with government <u>agencies</u>, the construction assigned by the land owner or for the leased land, or the equipment acquired or disposed for the business use, if the transaction amount is more than 20% of the Company's paid-in capital or NTD300 million, a professional appraiser shall be entrusted to issue an appraisal report before the fact occurrence day, and the following stipulations shall be complied with: 	Modified with the act.

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>professional appraiser and shall further comply with the following provisions:</p> <p>(1).Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(Paragraph 1 (2) – (5) and Paragraphs 2 and 3 skipped)</p> <p>4. Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(Paragraph 5 skipped)</p> <p>6. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p>2. <u>May not be a related party or de facto related party of any party to the transaction.</u></p> <p>3. <u>If the company is required to obtain appraisal reports from two or more professional appraisers, the different</u></p>	<p>(1).Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>Paragraph 1 (2) – (5) and Paragraphs 2 and 3 skipped)</p> <p>4. Where the company acquires or disposes of intangible assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(Paragraph 5 skipped)</p> <p>6. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p><u>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <ol style="list-style-type: none"> 1. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u> 2. <u>When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> 3. <u>They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u> 4. <u>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u> 		
<p>Article 6 Paragraph 2</p>	<p>The Company's handling procedure for transactions with related parties is as follows: (Paragraph 1 skipped)</p> <p>When the company intends to acquire or dispose of real property <u>or right-of-use assets</u> thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets</u> thereof 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, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by more than one-half of all members of the Audit Committee.</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of 	<p>The Company's handling procedure for transactions with related parties is as follows: (Paragraph 1 skipped)</p> <p>When the company intends to acquire or dispose of real property thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property thereof 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, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by more than one-half of all members of the Audit Committee.</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of 	<p>Modified with the act.</p>

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>assets.</p> <ol style="list-style-type: none"> 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or <u>right-of-use assets</u> thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the paragraph 3 section 1 and 4 of the 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 of 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 a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. 8. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 1 section 6 of the article 4 and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. 9. <u>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares shall be ratified according to the quota authorized under Article 10.</u> <ol style="list-style-type: none"> 1. <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u> 2. <u>Acquisition or disposal of real property right-of-use assets held for business use.</u> 10. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors, the board of directors 	<p>assets.</p> <ol style="list-style-type: none"> 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the paragraph 3 section 1 and 4 of the 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 of 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 a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. 8. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 1 section 6 of the article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. 9. The acquisition or disposal of the equipment for business operation between the Company and its parent company or subsidiaries, shall be ratified according to the quota authorized under Article 10 for equipment. 10. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. 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. 	

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>shall take into full consideration each independent director's opinions. 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>Article 6 Paragraph 3</p>	<p>Rationality of transaction costs</p> <ol style="list-style-type: none"> 1. The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means: <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. 2. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. 3. The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the the Paragraphs 3 section 1 and 2 of this Article shall also engage a CPA to check the appraisal and render a specific opinion. 4. Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 1 and 2 of the Article, and paragraph 3, section 1 to 3 do not 	<p>Rationality of transaction costs</p> <ol style="list-style-type: none"> 1. The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means: <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously create d a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. 2. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. 3. The company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the Paragraphs 3 section 1 and 2 of this Article shall also engage a CPA to check the appraisal and render a specific opinion. 4. Where the company acquires real property thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 1 and 2 of the Article, and paragraph 3, section 1 to 3 do not apply: <ol style="list-style-type: none"> 1. The related party acquired the real 	<p>Modified with the act.</p>

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. 	<p>property thereof through inheritance or as a gift.</p> <ol style="list-style-type: none"> 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 	
<p>Article 6 Paragraph 5</p>	<p>When the results of the company's appraisal conducted in accordance with paragraph 3, section 1 and 2 of the Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 3, section 6 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring 	<p>When the results of the company's appraisal conducted in accordance with paragraph 3, section 1 and 2 of the Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 3, section 6 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring 	<p>Modified with the act.</p>

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the <u>real property or obtainment of the right-of-use assets thereof.</u></p>	<p>or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>C. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>2. Where the company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	
<p>Article 6 Paragraph 6</p>	<p>Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding five articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. The independent directors of the Audit committee shall comply with Article 218</p>	<p>Where the company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding five articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. The independent directors of the Audit committee shall comply with Article 218</p>	<p>Modified with the act.</p>

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>of the Company Act.</p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or <u>leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, 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 FSC has given its consent.</p>	<p>of the Company Act.</p> <p>3. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus</p> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, 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 FSC has given its consent.</p>	
Article 6 Paragraph 7	When the company obtains real property or <u>right-of-use assets thereof</u> from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.	When the company obtains real property from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.	Modified with the act.
Article 7	<p>Procedure for Acquisition or disposal of derivative transactions</p> <p>1. Trading Principles and Guidelines</p> <p>(1) Transaction types</p> <p>A. Types that have to be traded in financial derivatives, it refers to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>(The rest are the same and skipped)</p>	<p>Procedure for Acquisition or disposal of derivative transactions</p> <p>1. Trading Principles and Guidelines</p> <p>(1) Transaction types</p> <p>A. Types that have to be traded in financial derivatives, it refers herein are broadly defined as instruments that derive their value from the performance of underlying assets, interest or currency exchange rates, indexes or other. Such instruments include swaps, options, futures contracts, leverage contracts, forwards, and various combinations thereof. Forwards referred herein exclude insurance, performance, post-sale service, long-term lease and long-term sales/procurement contracts.</p> <p>(The rest are the same and skipped)</p>	Modified with the act.

Amended Article Article 10	After Amendment					Before Amendment					Reason for amendment Modified with the act.
	Item	Amount	Competent Authority			Item	Amount	Competent Authority			
			Board of Directors	Chairman	General Manager			Board of Directors	Chairman	General Manager	
Portfolio Investment (excl. Bond Fund)	Under 50 million		determine	review	Portfolio Investment (excl. Bond Fund)	Under 50 million		determine	review		
	50 million or more	determine	review	review		50 million or more	determine	review	review		
Bond Fund	-		determine	review	Bond Fund	-		determine	review		
Real Estate	Under 5 million		determine	review	Real Estate	Under 5 million		determine	review		
	5 million more	determine	review			5 million more	determine	review			
Right-of-Use Assets under Real Estate	Equal to or more than 25 million but less than 100 million		determine	review	Equipment	1 million to 5 million		determine	review		
	100 million or more	determine	review			Above 5 million	determine	review			
Equipment	1 million to 5 million		determine	review	Right-of-Use Assets under Equipment	Equal to or more than 5 million but less than 20 million		determine	review		
	Above 5 million	determine	review			20 million or more	determine	review			
Memberships	Under 2 million		determine	review	Intangible assets such as patents, copyrights, trademark rights and franchise	Under 5 million		determine	review		
	2 million or more	determine	review			5 million or more	determine	review			
Intangible assets such as patents, copyrights, trademark rights and franchise	Under 5 million		determine	review	Claims of financial institutions (incl. receivables, bills purchased and discounted, loans, and overdue receivables)	-	determine	review	review		
	5 million or more	determine	review			-	determine	review	review		
Derivatives - trading for hedging purpose	-		determine	review	Derivatives - trading for other specific purposes	-	determine	review	review		
	-	determine	review	review		-	determine	review	review		
Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law	-	determine	review	review	Other major assets	Under 5 million		determine	review		
	-	determine	review	review		5 million or more	determine	review			
Other major assets	Under 5 million		determine	review	Note 1: Shall be submitted for a resolution by the board of directors before execution; those not determined by the board of directors shall be reported in the most recent board meeting afterwards. Note 2: It's not necessary to report the acquisition or disposal of equipment that is under 5 million dollars or membership that is under 2 million dollars to the board of directors in the most recent board meeting afterwards.						
	5 million or more	determine	review								
Note 1: Shall be submitted for a resolution by the board of directors before execution; those not determined by the board of directors shall be reported in the most recent board meeting afterwards. Note 2: It's not necessary to report the acquisition or disposal of equipment that is under 5 million dollars, <u>the right-of-use assets under equipment that is under 20 million dollars</u> or membership that is under 2 million dollars to the board of directors in the most recent board meeting afterwards.											

Appendix 9 : Comparison Table of Amendments to the “Operational Procedures for Loaning of Funds”

Excelsior Medical Co., Ltd.

Comparison Table of Amendments to the Operational Procedures for Loaning of Funds Before and After Revision

Amended Article	After Amendment	Before Amendment	Reason for amendment
Article 4	<p>The aggregate amount of loans</p> <p>1. The accumulated total of loans granted by the company to a company with business relationship with the subsidiaries or first-tier subsidiaries shall not exceed 20% of the net worth of the company. Besides, the amount of an individual loan granted shall not exceed the total business transaction amount in the past year between the parties and 10% of the net worth of the company .“Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher.</p> <p>2. Where funds are lent to a company which with short-term financial need, the total individual loan shall not exceed 20% of the amount of the net worth of the company, and the amount of an individual loan granted shall not exceed 10% of the net worth of the company.</p> <p>3. <u>The company that directly and indirectly holds 100% of the voting shares of foreign companies engages in loaning funds, or the foreign company that directly and indirectly owns 100% of the voting shares of the company engages in lending loaning funds to the company, shall still be subject to the restrictions of the preceding paragraph.</u></p>	<p>The aggregate amount of loans</p> <p>1. The accumulated total of loans granted by the company to a company with business relationship with the subsidiaries or first-tier subsidiaries shall not exceed 20% of the net worth of the company. Besides, the amount of an individual loan granted shall not exceed the total business transaction amount in the past year between the parties and 10% of the net worth of the company .“Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher.</p> <p>2. Where funds are lent to a company which with short-term financial need, the total individual loan shall not exceed 20% of the amount of the net worth of the company, and the amount of an individual loan granted shall not exceed 10% of the net worth of the company.</p>	Modified with the act

Amended Article	After Amendment	Before Amendment	Reason for amendment
Article 7 Paragraph 3	When the company lends funds to others, it shall take into full consideration each independent director's opinions; <u>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.</u>	When the company lends funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.	Modified with the act
Article 9 Paragraph 2	The term "date of occurrence of the fact" as used in the Procedures refers to the date of contract signing, date of payment, dates of Board of Directors' resolutions, or other date that can confirm the counterpart of <u>loaning funds</u> and monetary amount of the transaction, whichever date is earlier.	The term "date of occurrence of the fact" as used in the Procedures refers to the date of contract signing, date of payment, dates of Board of Directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction , whichever date is earlier.	Modified with the act

Appendix 10 : Comparison Table of Amendments to the “Operational Procedures for Endorsements and Guarantees”

Excelsior Medical Co., Ltd.

Comparison Table of Amendments to the Operational Procedures for Endorsements and Guarantees

Amended Article	After Amendment	Before Amendment	Reason for amendment
Article 6	Where the company has established a position of independent director, the company shall take into full consideration the opinions of each independent director; <u>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.</u>	Where the company has established a position of independent director, the company shall take into full consideration the opinions of each independent director; it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent, and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.	Modified with the act
Article 7	For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, The company's internal auditors should audit the operating procedures and implementation status at least quarterly and prepare an audit report. If any material violation is discovered, <u>the Audit Committee and the independent directors shall be notified in writing.</u>	For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, The company's internal auditors should audit the operating procedures and implementation status at least quarterly and prepare an audit report. If any material violation is discovered, the Supervisor shall be notified in writing.	Modified with the act
Article 9	Announcing and reporting procedures 1. The Company shall announce and report the previous month's balance of endorsements / guarantees of the parent company instead by the 10th day of each month. 2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce such an event within two days commencing immediately from the date of occurrence of the fact: (1) The aggregate balance of	Announcing and reporting procedures 1. The Company shall announce and report the previous month's balance of endorsements / guarantees of the parent company instead by the 10th day of each month. 2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce such an event within two days commencing immediately from the date of occurrence of the fact:	Modified with the act

Amended Article	After Amendment	Before Amendment	Reason for amendment
	<p>endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees 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 statement.</p> <p>(3) The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, <u>the carrying amount of the investment using the equity method, long-term investment in, and</u> balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements or 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 statement.</p>	<p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees 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 statement.</p> <p>(3) The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements or 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 statement.</p>	

Appendix 11 : The Announcement List of the Directors (including Independent Directors) Candidates

No.	Title	Name	No. of Shares Held	Main Qualifications	Current Position	The reason why the director who has served as an independent director for three consecutive terms is nominated again for the independent directorship
1	Director	Fu Hui-Tung	436,763	Master of Business Administration, University of Southern Queensland, Australia Laboratory Department, Central Taiwan Medical Technology College	Chairman of Excelsior Group Holdings Co., Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Chairman of Dynamic Medical Technologies Inc. Director of Visionfront Corporation Chairman of Excelsior Beauty Co., Ltd. General Manager of Excelsior Beauty Co., Ltd. Chairman of Xuan Hui Investment Co., Ltd. Chairman of Excelsior Healthcare Co., Ltd. Director of Excelsior Group Holdings Ltd. Chairman of Asia Best Healthcare Co., Ltd. Chairman of Arich Enterprise Co., Ltd. Chairman of Excelsior Medical (HK) Co., Ltd. Director of Sino Excelsior Investment Incorporation Director of Fu Kang Health Industry Co., Ltd. Director of CYJ International Co., Ltd. Director of Excelsior Health Foundation Chairman of Excelsior Investment (Malaysia) Co. Ltd	Not applicable
2	Director	Wang Ming-Ting	47,792	Master of Business Administration, University of Southern Queensland, Australia Department of Accounting and Statistics, National Taichung College of Business Section Manager of Accounting Section and Examination Section, Taiwan Land Development Investment Trust	Director of Excelsior Investment Co. , Ltd. Director of Excelsior Group Holdings Co., Ltd. Supervisor of Bestchain Healthtaiwan Co., Ltd. Director of Dynamic Medical Technologies Inc. Supervisor of Excelsior Beauty Co., Ltd. Dirtctor of Xuan Hui Investment Co., Ltd. Director of Arich Enterprise Co.,	Not applicable

No.	Title	Name	No. of Shares Held	Main Qualifications	Current Position	The reason why the director who has served as an independent director for three consecutive terms is nominated again for the independent directorship
				Corporation Specialist of Bank Of Communications Director of Jia Yi Application Technology Co., Ltd.	Ltd. Chairman of Arich Best Chain Co., Ltd. Director of Join Fun Co., Ltd. Supervisor of Beijing Yu Jia Cheng Yue Investment Management Co., Ltd Director of Shinkong Excelsior Asset Management Co., Ltd. General Manager of Shinkong Excelsior Asset Management Co., Ltd.	
3	Director	Hsieh Yen-Sheng	595,865	Master of Business Administration, University of Southern Queensland, Australia Department of Industrial Engineering, Chung Yuan Christian University	Chairman of Pu Yu Investment Co., Ltd. Director of Unimicron Technology Corp. Independent Director of Yufo-Electronics Co. Ltd. Director of Quan Ren Zhong Yuan Yu Cheng Investment Co., Ltd. Director of Excelsior Health Foundation	Not applicable
4	Director	Representative: Chen Tun-Ling, Excelsior Group Holdings Co., Ltd.	13,860,296	Department of Medicine, Taipei Medical University Physician and Nephrologist Director of Feng Yuan Chen General Hospital Director of Shinshen Hospital Director of Jia Ping Clinic Director of Taiwan Society of Nephrology Director of Taiwan Society of Nephrology Public Affairs Committee	Nephrologist (Director) of Jia Ming Clinic Honorary President of Taiwan Society of Dialysis Medical Technologists Nephrologist of Kaohsiung Yuoshen Hospital	Not applicable
5	Director	Representative: Kao Shen, Excelsior Group Holdings Co., Ltd.	13,860,296	Part time associate professor ,Shanghai University of Finance and Economics Zhejiang College Doctor of Accounting, Shanghai University of Finance and Economics Master degree ,National Taiwan University EMBA Department Of Accounting National Chung Hsing University General Manager of Excelsior Medical Co., Ltd.	Supervisor of Director of Excelsior Investment Co., Ltd. Supervisor of Excelsior Group Holdings Co., Ltd. Supervisor of Visionfront Corporation Chairman of EG Healthcare, Inc. Director of Asia Best Healthcare Co.,Ltd . Director of Chai Tai Bo Ai Inverstment Limited. Chairman of Sino Excelsior Investment Incorporation General Manager of Sino Excelsior Investment Incorporation	Not applicable

No.	Title	Name	No. of Shares Held	Main Qualifications	Current Position	The reason why the director who has served as an independent director for three consecutive terms is nominated again for the independent directorship
				General Manager of Jiatae Excelsior Co., Ltd. Auditor, Deloitte accounting firm	Director of Pacific Beijing Bo-Ai Medical Management Consulting Co., Ltd. Chairman of Beijing Yu Jia Cheng Yue Investment Management Co., Ltd. General Manager of Beijing Yu Jia Cheng Yue Investment Management Co., Ltd. Supervisor of Shang Hai Wan Li Medical Beauty Co., Ltd. Director of Excelsior Health Foundation	
6	Director	Fu Jo-Hsuan	0	Bachelor of Business Administration, Department of Information Management, National Central University Abeam Consulting Ltd. General Manager of Dynamic Medical Technologies Inc.	Chairman of Excelsior Investment Co., Ltd. Director of Excelsior Group Holdings Co., Ltd. General Manager of Jiatae Excelsior Co., Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Director of Dynamic Medical Technologies Inc. Director of Excelsior Beauty Co., Ltd. General Manager of Excelsior Renal Service Co., Ltd. (Hong Kong) Director of Sino Excelsior Investment Incorporation Director of Excelsior Beauty Limited of Hong Kong Director of Beijing Yu Jia Cheng Yue Investment Management Co., Ltd. Chairman of CYJ International Taiwan Inc. Director of Medytox Taiwan Inc. Director of Shinkong Excelsior Asset Management Co., Ltd. Chairman of Tripleai Technology Co., Ltd.	Not applicable
7	Independent Director	Chan Tzu-Sheng	380	Department of Accounting and Statistics, Tamsui Institute of Business Administration Assistant Bank Manager, Taiwan Cooperative Bank	Independent Director of Arich Enterprise Co., Ltd.	With professional experience needed in finance and banking, he is of great help to the Company's operation. It is proposed to nominate him again for the independent directorship to be an important consultant for the board of directors.
8	Independent	Chang Wu-I	0	Researcher of International	Independent Director of Arich	With professional

No.	Title	Name	No. of Shares Held	Main Qualifications	Current Position	The reason why the director who has served as an independent director for three consecutive terms is nominated again for the independent directorship
	Director			Tax Planning, Law School, Harvard University Master of Finance, National Chengchi University Bachelor of Economics, National Chung Hsing University Partner, KPMG Accounting Firm Chief Accountant, Division of Taxation, KPMG Accounting Firm Chairperson of KPMG Accounting Firm	Enterprise Co., Ltd. Independent Director of Aerowin Technology Corp.	experience needed in accounting and taxation, he is of great help to the Company's operation. It is proposed to nominate him again for the independent directorship to be an important consultant for the board of directors.
9	Independent Director	Kuo Yu-Chia	0	Bachelor of Laws, National Taiwan University Master of Laws, George Washington University	Director of Teleport Access Services, Inc. Chairman of Kai Sen Investment Co. Ltd. Chairman of Kai Sen Management Consulting Co., Ltd. Supervisor of Excellent Water Appraisal & Co.	Not applicable

Appendix 12 : The Impact of Stock Dividend Issuance on Business Performance, EPS and Shareholders Return Rate

Description		2019(forecast)	
Opening paid-in capital		NT\$1,281,489,700	
Status of current year dividend distribution (Note 1)	Cash dividend per share (note 2)	NT\$3	
	Per-share stock dividend from capital increase by earnings recapitalization	0 shares	
	Per-share stock dividend from capital increase by capital surplus	0 shares	
Change in business performance	Profit from operations	N/A (Note 3)	
	Increase (decrease) ratio of profit from operations from the same period of the previous year	N/A (Note 3)	
	Net profit after tax	N/A (Note 3)	
	Increase (decrease) ratio of net profit after tax from the same period of the previous year	N/A (Note 3)	
	EPS (retroactive adjustment)	N/A (Note 3)	
	Increase (decrease) ratio of EPS from the same period of the previous year.	N/A (Note 3)	
	Annual average ROI (annual average P/E ratio)	N/A (Note 3)	
Pro forma EPS and P/E	If the capital increase by earnings recapitalization is totally distributed as the cash dividend	Pro forma EPS	N/A (Note 3)
		Pro forma annual average ROI	N/A (Note 3)
	If the capital increase by capital surplus is not processed	Pro forma EPS	N/A (Note 3)
		Pro forma annual average ROI	N/A (Note 3)
	If the capital surplus is not processed, and the capital increase by earnings recapitalization is distributed as the cash dividend	Pro forma EPS	N/A (Note 3)
		Pro forma annual average ROI	N/A (Note 3)

Note 1: To be resolved at the 2019 shareholders' meeting.

Note 2: In case of any change in the per-share cash dividend as a result of the fact that any holder of the convertible corporate bond issued by the Company applies for conversion or repurchase of the Company's shares or the treasury stock is transferred or deleted, which further affects the number of the Company's outstanding shares, the Board of Directors shall be authorized to adjust shareholder's cash dividend rate according to the distribution amount adopted by the Board of Shareholders for this proposal and the number of the Company's actual outstanding shares.

Note 3: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to release its 2019 financial forecast, so such information is not available.

Appendix 13 : The Shareholding situation of Directors

1. Shares required to be held by the Company's current directors and supervisors are as follows:

The Company's common stock shares	128,148,970 shares
The ratio of the shares required to be held by the entire body of directors (note)	10%
The shares required to be held by the entire body of directors (note)	8,000,000 shares

Note: According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the amount of the total registered shares held by the entire body of directors and supervisors shall not be less than the regulated ratio of the amount of the total shares issued by the Company. However, if the amount of the total shares held by the entire body of directors or supervisors is less than the amount of the maximum shares required by the previous rank, the total amount of the maximum shares of the previous rank shall prevail.

Also, according to the preceding Rules of the same Article, the shares held by the independent directors elected by the Company shall not be included in the total amount referred to in the preceding paragraph. If the number of the elected independent directors is more than two, the ratio of the shares held by entire body of directors, excluding the independent directors, can be reduced to 80% of the shareholding ratio calculated according to the preceding paragraph. Furthermore, as Excelsior has established the audit committee that satisfies the requirements of the securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.

2. The shares held by the Company's directors and supervisors and their shareholding ratios are as below:

Title	Name	As of 4/20/2019 – the date suspending share ownership transfer	
		Shares	Shareholding ratio
Director	Fu Hui-Tung	436,763	0.34%
Director	Wang Ming-Ting	47,792	0.04%
Director	Hsieh Yen-Sheng	595,865	0.46%
Director	Excelsior Group Holdings Co., Ltd. Institutional representatives: Chen Tun-Ling, Kao Shen	13,860,296	10.82%
Director	Fu Jo-Hsuan	0	0%
Independent director	Chan Tzu-Sheng	380	0%
Independent director	Chang Wu-Yi	0	0%
Independent director	Kuo Yu-Chia	0	0%
Total shares held by directors and their total shareholding ratio		14,941,096	11.66%

