Procedures for Acquisition or Disposal of Assets

Article 1 Purpose

In order to protect assets and implement information disclosure, the Company's acquisition or disposal of assets shall be handled in accordance with this handling procedure. However, where laws and regulations provide otherwise, such provisions shall prevail.

Article 2: Legal basis

These procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Financial Supervisory Commission, Executive Yuan.

Article 3: Scope of assets

1. Marketable securities: including stocks, government bonds, corporate bonds, financial bonds, commendable securities of funds, depositary receipts, call (put) warrants, beneficiary securities and asset-based securities.
2. Real estate (including land, houses and buildings, investment real estate, inventory of the construction industry) and equipment.
3. Membership card.
4. Intangible assets: Including intangible assets such as patent rights, copyrights, trademark rights and franchise rights.
5. Right-of-use assets.
6. Creditor’ s rights of financial institutions (including receivables, discounts and loans purchased, and overdue receivables).
7. Derivative products.
8. Assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions or share transfers.
9. Other important assets.

Article 4: Definitions

1. Derivative instrument: A financial instrument is defined as any change in interest rates, prices of financial Exchange rate, price index, credit rating or credit index, or other variables or others Foreign exchange forward contracts, option contracts, futures contracts, leverage guarantees, etc. CSF, exchange agreement, combination of the above contracts, or the group of embedded derivatives Contracts or structured products, etc. Forward contracts, excluding insurance contracts, exercise Contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.

2. Assets acquired or disposed of in accordance with legal merger, division, acquisition or share transfer:
Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Mergers Act or other laws Assets acquired or disposed of due to merger, division or acquisition, or issuance of new shares to acquire shares of other companies in accordance with Article 156-3 of the Company Act (hereinafter referred to as "share transfer").

3. Related parties and subsidiaries: shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Professional valuers: real estate appraisers or other persons permitted by law to engage in the valuation of real estate and equipment. Those who engage in pricing business.

5. Date of event: The date of contract signing, date of payment, date of consignment trade, date of transfer, date of board resolution, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier. However, for an investor subject to the approval of the competent authority, the date above or the date of approval by the competent

authority shall prevail.

6. Investments in mainland China: refer to investments in mainland China conducted by the Investment Commission of the Ministry of Economic Affairs in accordance with the Regulations Governing Permission for Investment or Technical Cooperation in mainland China.

7. The term "within one year" referred to herein is based on the date on which the acquisition or disposal of assets take place and is calculated retrospectively for the previous year, and the announced part is no longer included.

8. "Latest Financial Statements" refer to the financial statements that have been audited or reviewed by CPAs before the acquisition or disposal of assets by the Company in accordance with the law.

9. Specialised in investment: established in accordance with the law and subject to the management of local financial authorities holding companies, banks, insurance companies, bills finance companies, trust companies, and operations Securities dealer engaged in proprietary trading or underwriting business, futures dealer engaged in proprietary trading business, securities investment trust securities investment consulting enterprises and fund management companies.

10. Stock Exchange: a domestic stock exchange means the Taiwan Stock Exchange Corporation; a foreign stock exchange which is an organised securities administered by the securities regulatory authority of that country Trading market.

11. Business premises of securities firms: The business premises of domestic securities firms refer to the Regulations Governing Securities Sales stipulates that securities firms should have dedicated counters for trading; Foreign certificates Business premises of a securities firm refers to the business premises managed by the competent authority of foreign securities and may engage in securities business.

Article 5: Quota on investment in real estate and securities not for business use

The limits of the above assets acquired by the Company and its subsidiaries individually are as follows:

(1) The total amount of real estate not for business use shall not exceed 50% of the net value.

(2) The total amount of long-term and short-term securities invested shall not be higher than the net value.

(3) The amount of investment in individual marketable securities shall not exceed 50% of the net value.

Article 6:The appraisal report obtained by the Company or the opinions of the accountants, lawyers or securities underwriters, the professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements:

1.The Company Law, the Banking Law, the Insurance Law, the Financial Holding Company Law, the Banking Law, the Insurance Law, the Business accounting, or the risk of fraud, breach of trust, embezzlement, forgery of documents, or criminal acts in business,Those who have been sentenced to imprisonment for more than one year. However, after the execution, the probation has expired or has been waived Those who have reached three years are excluded.

2.The transaction party shall not be a related party or a substantial related party.

3.If the Company should obtain appraisal reports from more than two professional appraisers, different professional appraisers or The appraiser shall not be a related party or a substantial related party.

When issuing an appraisal report or opinion, the personnel in the preceding paragraph shall follow the self-disciplinary regulations of their respective industry associations. and the following:

1.Prior to undertaking a case, the Company shall carefully evaluate its professional ability, practical experience and independence.

2.When executing a case, appropriate operational procedures should be properly planned and executed to form a conclusion and serve as a basis for future reference.Issuance of reports or opinions; Furthermore, the implementation procedures, data and conclusions collected will be disclosed in detail. Work draught for cases.

3.For the source, parameters and information used, it should be assessed individually for its appropriateness and consistency. It is used as the basis for issuing appraisal reports or opinions.

4. The statement shall include the expertise and independence of the relevant personnel. Information is appropriate and reasonable and in compliance with relevant laws and regulations.

Article 7: Procedures for Acquisition or Disposal of Real Estate, Equipment or Right-of-use Assets

1. Evaluation and Operating Procedures

The acquisition or disposal of property, equipment, or right-of-use assets by the Company shall be handled in accordance with the Company's internal control system property, plant, and equipment cycle procedures.

2. Terms and conditions of the transaction and the procedures for determining the authorised limit

(1) When acquiring or disposing of real estate or its right-of-use assets, the current value of the announcement, the appraised value, the actual transaction price of the adjacent real estate, etc. should be referred to, and the transaction conditions and transaction prices should be determined as an analysis report. At the same time, the transaction conditions and transaction prices should be submitted to the chairman of the board for approval before implementation, and should be reported in the most recent board meeting after the event; Those who meet the reporting standards required by this procedure shall be submitted to the Board of Directors for approval.

(2) The acquisition or disposal of equipment or its right-of-use assets shall be based on one of the methods of inquiry, price comparison, negotiation or bidding, and if the amount is less than NT $1,000 (inclusive), it shall be approved step by step according to the approval authority; Those exceeding NT $1,000 shall be submitted to the Board of Directors for approval.

3. Implementation unit

When the Company acquires or disposes of real estate, equipment or its right-of-use assets, it shall submit for approval according to the approval authority in the preceding paragraph, and the user department or administrative department shall be responsible for execution.

4. VALUATION REPORT ON PROPERTY, EQUIPMENT OR RIGHT-OF-USE ASSETS

Except for transactions with domestic government agencies, commissioned construction or lease of land, or acquisition or disposal of equipment for business use or its right-of-use assets, where the transaction amount is more than 20% of the Company's paid-in capital or NT $300,000,000, the Company shall first obtain a valuation report issued by a professional valuer before the date of the occurrence of the fact and meet the following requirements:

(1) For special reasons where price limits, specific prices or special prices are required as a reference for the transaction price, the transaction shall first be submitted to the board of directors for resolution, and the same applies to subsequent changes in transaction conditions.

(2) If the transaction amount is more than NT $1,000,000,000, please use more than two professional appraisers for the valuation.

(3) Except for the appraisal results of the acquired assets are higher than the transaction amount, or the appraisal results of the disposed assets are lower than the transaction amount, the CPA shall be asked to express their opinions on the reasons for the differences and the fairness of the transaction price:

(3-1).The difference between the valuation results and the transaction amount is more than 20% of the transaction amount.

(3-2).The valuation result gap of more than 2.2 professional appraisers reached more than 10% of the transaction amount.

(4) The date of the report issued by a professional appraiser and the date of contract establishment shall not exceed 3 months. However, if it is applicable to announce the

present value in the same period and does not exceed six months, the original professional appraiser may issue an opinion.

(5) Where the Company acquires or disposes of assets through court auction procedures, the appraisal report or accountant' s opinion may be replaced with the supporting documents issued by the court.

Article 8: Procedures for Acquisition or Disposal of Securities Investment

1. Evaluation and Operating Procedures

The purchase and sale of the Company's long-term and short-term securities are handled in accordance with the investment cycle operations in the Company's internal control system.

2. Terms and conditions of the transaction and the procedures for determining the authorised limit

(1) The trading of securities in the centralised trading market or the business premises of a securities firm shall be determined by the responsible unit based on market conditions. According to the approval authority, it shall be reported to the most recent board of directors after being approved by the chairman. At the same time, an analysis report on the unrealized benefits or losses of long-and short-term securities shall be provided; If the amount reaches the reporting standard required by this procedure, it must be submitted to the board of directors for approval.

(2) For the purchase and sale of securities not conducted in the centralised trading market or the business premises of a securities firm, the latest financial statements of the target company audited and certified or reviewed by an accountant shall be first used as a reference for evaluating the transaction price, taking into account the net value per share, profitability and future development potential of the target company, etc., the amount of which is less than NT $100,000,000 (inclusive) shall be approved by the chairman of the board of directors and reported in the latest board of directors meeting afterwards, and shall submit an analysis report on the unrealized benefits or losses of long-and short-term securities; If the amount exceeds NT $100,000,000, it must be submitted to the board of directors for approval.

3. Implementation unit

When investing in long-term and short-term securities of the Company, the financial department shall be responsible for the execution after the approval authority in the preceding paragraph is approved.

4. OBTAINING EXPERT' S OPINION

(1) The Company shall, before the date of the occurrence of the fact, first obtain the financial statements of the target company that have been audited or reviewed by an accountant as a reference for the evaluation of the transaction price, and the transaction amount reaches 20% of the company's paid-in capital or NT $300,000,000 or more, shall consult the accountant to express an opinion on the reasonableness of the transaction price before the date of the occurrence of the fact. However, this restriction does not apply to the public quotation of the securities in an active market or other regulations issued by the Financial Supervisory Commission.

(2) If the Company acquires or disposes of assets through court auction procedures, the appraisal report or accountant' s opinion may be replaced with the supporting documents issued by the court.

Article 9: Procedures for related party transactions

1. The Company and its related parties shall acquire or dispose of assets in accordance with Articles 7, 8, and 10. In addition to stipulating the relevant resolution procedures and assessing the rationality of transaction conditions, the transaction amount is If it exceeds 10% of the Company's total assets, it shall also comply with Articles 7, 8, and 10. Set up a valuation report

or accountant's opinion issued by a professional valuer. In addition, for determining whether a transaction should When the counterparty is a related party, in addition to paying attention to its legal form, it should consider the substantive relationship.

2. Evaluation and Operating Procedures

The Company’s acquisition or disposal of real estate or its right-of-use assets from related parties, or Acquisition or disposal of assets other than real estate or its right-of-use assets with transaction amount reaching the Company More than 20% of the paid-in capital, 10% of total assets, or NT $300,000,000 In addition to the purchase and sale of domestic government bonds, bonds with repurchase agreements and resell agreements, purchase or redemption of domestic currency In addition to market funds, the following information should be first passed by 2-1 of all members of the Audit Committee. If it is not agreed by all members of the Audit Committee, the proposal shall be submitted to the Board of Directors for resolution. If the directors agree, it may be agreed by more than two-thirds of all the directors. Only after the resolutions of the Audit Committee are set out, can the contract be signed and the payment be made:

(1) The purpose, necessity and expected benefits of acquiring or disposing of assets.
(2) Reasons for selecting related parties as transaction counterparties.
(3) Acquisition of real estate or its right-of-use assets from related parties, and evaluation of relevant information on the reasonableness of pre-determined transaction conditions in accordance with the provisions of paragraphs (1) and (4) of this Article.
(4) The original acquisition date and price of the related party, the transaction object and its relationship with the company and the related party, etc.
(5) The cash income and expenditure forecast for each month of the coming year starting from the contract month is expected, and the necessity of the transaction and the reasonableness of the use of funds are evaluated.
(6) The professional appraisal report obtained in accordance with the provisions of Article 1, or the opinions of the accountants.
(7) Restrictions and other important terms of the Transaction.

The transactions conducted between the company and its parent company or subsidiaries, which directly or indirectly hold 100% of the issued shares or total capital of the subsidiaries, may be handled in accordance with the approval procedures authorized under Article 7, Paragraph 1, Subparagraph 2, Item2 are as follows:

(1) Acquisition or disposal of equipment or right-of-use assets for business use.
(2) Acquisition or disposal of right-of-use assets of real estate for business use.

Where the Company or a subsidiary of a domestic non-public company has the first transaction, and the transaction amount is more than 10% of the total assets of the public company, the Company shall submit the information of each item listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and making the payment. The same does not apply, however, in transactions between the Company and its parent company, subsidiaries, or between the Company’s subsidiaries.

3. Assessment of the reasonableness of transaction costs

(1) When the Company acquires real estate or its right-of-use assets from a related party, it shall assess the reasonableness of the transaction costs according to the following methods:
   (1-1). The transaction price of the related party plus the necessary capital interest and the cost to be borne by the purchaser in accordance with the law. The deemed necessary capital interest cost shall be calculated based on the weighted average interest rate of the loans in the year in which the company purchases the asset, but it shall not be higher than the maximum borrowing rate of the non-financial industry announced by the Ministry of Finance.

(1-2). If the related party used the subject matter to set up a mortgage loan with the financial institution, the financial institution shall evaluate the total value of the loan of the subject matter, but the accumulated value of the actual loan of the financial institution to the subject matter shall reach more than seven percent of the total value of the loan evaluation and the loan period has exceeded one year. However, if the financial institution and the transaction are related parties, it is not applicable.

(2) If the land and buildings of the same target are purchased or leased in a merger, the transaction costs of the land and buildings may be evaluated separately in accordance with any method listed in the preceding paragraph.

(3) The Company acquires real estate or its right-of-use assets from related parties, and assesses the cost of real estate or its right-of-use assets in accordance with the provisions of paragraphs (1) and (2) of the third paragraph of this Article, and should consult the accountant to review and express a specific opinion.

(4) When the Company acquires real estate or its right-of-use assets from related parties, the evaluation results in accordance with paragraphs (1) and (2) of the third paragraph of this Article are lower than the transaction price, it shall be handled in accordance with the provisions of paragraph (5) of the third paragraph of this Article. However, this restriction does not apply in cases where objective evidence is provided and specific reasonableness is obtained from professional real estate appraisers and CPAs:

(4-1). The related party is a party who obtains the vacant land or rent the land for re-construction, and is able to prove that it meets one of the following conditions:

(4-1-1) Land is appraised according to the method stipulated in the preceding article, and the total amount is over the actual transaction price. The said reasonable construction profit shall be based on the average operating gross profit margin of the construction department of the related party in the last three years or the latest construction gross profit margin announced by the Ministry of Finance, whichever is lower.

(4-1-2) The other floors of the same premises or other non-related party transactions in the neighbouring areas within one year have similar areas, and the transaction conditions are equivalent to the reasonable floor or area price difference assessment according to the real estate purchase and sale or lease practises.

(4-2). The Company presents the real estate purchased or leased from related parties for obtaining the real estate right-of-use assets, and the transaction terms are comparable to those of other non-related party transactions in the neighbouring areas for one year and have similar areas. The transaction cases in the neighbouring areas mentioned above are based on the same or adjacent street outline and the scope of the transaction does not exceed 50 metres or a similar publicly announced present value; The area is similar, and the area of other non-related party transactions shall not be less than 50% of the subject area of the transaction; The above-mentioned one-year period is based on the date of occurrence of the acquisition of real estate or its right-of-use assets, and the previous one-year retroactive estimation.

(5) Where the Company acquires real estate or its right-of-use assets from related parties, if the evaluation results in accordance with subparagraph (1) and (2) of paragraph 3 of this Article are lower than the transaction price, the following matters shall be handled. In addition, if the Company and the public company whose investment in the Company is accounted for using the equity method makes a special surplus reserve in accordance with the foregoing provisions, the special surplus reserve shall be used only after the high-priced purchased or leased assets have been recognised for price decline, or the lease has been terminated, or the lease is properly compensated or restored, or other evidence is determined to be unreasonable.

(5-1). The Company shall set aside a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act for the difference between the transaction price and the evaluation cost of the real estate or its right-of-use assets, and shall not distribute or transfer the capital increase to share dividends. If an investor that uses the equity method to evaluate its investment in the Company is a public company, it should also set aside a special surplus reserve according to the proportion of shareholding in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.

(5-2). The independent directors of the Audit Committee shall be subject to the provisions of Article 218 of the Company Act.

(5-3). The handling of point 1 and point 2 of subparagraph (5) of paragraph 3 of this paragraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

(6) If the Company acquires real estate or its right-of-use assets from a related party under any of the following circumstances, it shall be handled in accordance with the relevant evaluation and operating procedures of the first and second paragraphs of this Article, and the evaluation regulations on the reasonableness of transaction costs in paragraphs 3 (1), (2) and (3) of this Article shall not be applicable:

(6-1). The related party obtains the real estate or its right-of-use assets due to inheritance or gift.

(6-2). The contract of the related party to obtain the real estate or its right-of-use assets has been more than 5 years from the date of the transaction.

(6-3). to sign joint construction contracts with related parties, or to acquire real estate from related parties for construction of real estate on its own land or lease land.

(6-4). The Company and its parent company, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, among themselves, acquire real estate right-of-use assets for business use.

(7) Where the Company acquires real estate or its right-of-use assets from a related party, if there is any other evidence showing that the transaction is not in line with normal business practises, it shall also be handled in accordance with subparagraph (5) of paragraph 3 of this Article.

Article 10: Procedures for Acquisition or Disposal of Intangible Assets, Right-of-use Assets, or Member Certificates

1. Evaluation and Operating Procedures

The acquisition or disposal of intangible assets or their right-of-use assets or membership certificates by the Company shall be handled in accordance with the Company's internal control system real estate, plant and equipment operation cycle procedures.

2. Terms and conditions of the transaction and the procedures for determining the authorised limit

(1). Obtain or dispose of the membership certificate, refer to the fair market price in the market, resolve the transaction conditions and transaction price to prepare an analysis report, and if the amount is less than 10% of the paid-in capital or NT $100,000,000 (inclusive), it should be submitted to the chairman of the board for approval and reported in the next board meeting; If it exceeds 10% of the paid-in capital or NT $100,000,000, it must be approved by the board of directors.

(2). Acquisition or disposal of intangible assets or their right-of-use assets shall refer to the expert evaluation report or the fair market price in the market, and resolve the transaction conditions and transaction price to prepare an analysis report. If the amount is less than 20% of the paid-in capital or NT $300,000,000 (inclusive), it shall be submitted to the chairman of the board for approval and shall be reported in the latest board meeting after the event; Has exceeded 20% of the paid-in capital or NT $300,000,000 and must be approved by the Board of Directors before implementation.

(3). The acquisition or disposal of assets by the Company shall be handled in accordance with the procedures established or other laws and regulations in accordance with Article 17 of the procedures.

3. Implementation unit

When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificate, it shall be submitted for approval according to the approval authority in the preceding paragraph, and the user department, financial department or administrative department shall be responsible for execution.

4. Intangible assets or their right-of-use assets or expert appraisal report

(1). If the transaction amount of the Company's acquisition or disposal of membership certificates reaches 5% of the paid-in capital or NT $5 ten thousand or more, an expert shall be requested to issue a valuation report.

(2). If the transaction amount of the acquisition or disposal of intangible assets or its right-of-use assets by the Company reaches 10% of the paid-in capital or NT $200,000,000 or more, an expert shall be requested to issue a valuation report.

(3). The transaction amount of the Company's acquisition or disposal of members' certificates or intangible assets reaches 20% of the Company's paid-in capital or NT $300,000,000 or more. In addition to transactions with domestic government agencies, the Company should invite accountants to express opinions on the reasonableness of the transaction price before the date of the fact.

Article 11: The transaction amount of the first four items (i.e., Article 7 Procedures for Acquisition or Disposal of Real Estate, Equipment or Their Right-of-use Assets, Article 8 Procedures for Acquisition or Disposal of Securities Investment, Article 9 Procedures for Related Party Transactions, Article 10 Procedures for Acquisition or Disposal of Intangible Assets or Their Right-of-use Assets or Member Certificates) shall be calculated as follows:

1. Amount of each transaction.
2. The cumulative amount of the subject transaction of the same nature acquired or disposed of by the same counterparty within one year.
3. (Accumulated by acquisition and disposal respectively) within one year Same development plan Amount of real estate.
4. The cumulative acquisition or disposal of the same securities within one year (acquisition or disposal of the same securities accumulated separately) amount.

The term "within one year" referred to in the preceding paragraph is based on the date of the occurrence of the transaction, and the previous retrospective estimate is one year.

Article 7 The procedures for the acquisition or disposal of real estate, equipment or their right-of-use assets, Article 8 the procedures for the acquisition or disposal of marketable securities investment, Article 10 the procedures for the acquisition or disposal of intangible assets or their right-of-use assets or membership are exempt from the valuation report or accountant’s opinion issued by professional valuers in accordance with the provisions of these standards.

Article 9 The procedures for related party transactions that have been submitted to the shareholders' meeting, board of directors' approval and audit committee’ s recognition in accordance with the provisions of this Code shall be excluded.

Article 12: Procedures for Acquisition or Disposal of Financial Institutions’ Creditor’ s Rights

In principle, the Company does not engage in the transaction of acquiring or disposing of creditor's rights of financial institutions. If the Company subsequently intends to engage in the transaction of acquiring or disposing of creditor's rights of financial institutions, it will report to the board of directors for approval before formulating its evaluation and operating procedures.

Article 13: Procedures for Acquisition or Disposal of Derivatives

1. Transaction principles and guidelines

(1). Transaction type

(1-1). The derivative financial products engaged by the Company refer to the transaction contracts derived from the assets, interest rates, exchange rates, indexes or other commodities (such as forward contracts, options, futures, interest rates or exchange rates, exchanges, and the composite contracts formed by the above commodities, etc.).

(1-2). Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this handling procedure. The procedures do not apply to bond transactions with repurchase agreements.

(2). Operation (hedging) strategy

The Company engages in derivative financial commodity transactions only for the purpose of hedging. Trading commodities should be selected to avoid the risks arising from the Company's business operations, and the currency held must be consistent with the Company's actual foreign currency requirements for import and export transactions, and the Company's overall internal position (foreign currency income and expenses) should be self-squared, so as to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs.

(3). Segregation of Duties

(3-1). Finance Department

(3-1-1).Traders

A. Responsible for the strategy formulation of the entire company's financial product transactions.

B. The traders shall calculate positions regularly every two weeks, collect market information, conduct trend judgement and risk assessment, and formulate operational strategies, which shall be used as the basis for trading after being approved by the approval authority.

C. Execute transactions according to the approval authority and established strategy.

D. If there are major changes in the financial market and the trading personnel determine that the established strategy is not applicable, an evaluation report will be submitted at any time to re-formulate the strategy, which will be approved by the general manager as the basis for trading.

(3-1-2).Accounting personnel

A. Execute transaction confirmation.

B. Review whether transactions are conducted in accordance with authorization limits and established strategies.

C. The evaluation is conducted monthly and the evaluation report is submitted to the President.

D. Accounting treatment.

E. Report and announce in accordance with the requirements of the Securities and Futures Commission.

(3-1-3) Delivery personnel: performing delivery tasks.

(3-1-4) Approval authority for derivative products: in accordance with the approval authority table established by the Company.

(3-2). Audit Department

Responsible for understanding the appropriateness of the internal control of derivative commodity transactions, checking the compliance of the trading department with the operating procedures, analysing the trading cycle, making an audit report, and reporting to the board of directors when there are major deficiencies.

(3-3). Performance evaluation

(3-3-1) The performance evaluation is based on the exchange rate cost on the company's book and the profit and loss arising from derivative financial transactions.

(3-3-2) In order to fully grasp and express the valuation risk of the transaction, the Company adopts a monthly evaluation method to assess the profit and loss.

(3-3-3) The finance department shall provide evaluation of foreign exchange positions, foreign exchange market trends and market analysis to the general manager as management reference and instruction.

(3-4). Determination of total contract amount and loss limit

(3-4-1) Total contract amount

The financial department shall grasp the overall position of the company to avoid transaction risks, and the accumulated and unreleased net position shall not exceed the sales receivable position and purchase payable position, and consider the forecast of the business department and the purchase department.

(3-4-2) Determination of loss limit

The hedging transactions are hedging risks, so there is no need to set the loss limit.

2. Risk management measures

(1) Credit risk management:

Market risk management is carried out according to the following principles:

(1-1). Transaction object: Mainly famous domestic and foreign financial institutions.

(1-2). Trading products: limited to products provided by well-known domestic and foreign financial institutions.

(1-3). Transaction amount: The transaction amount of the same transaction object not offset shall not exceed 10% of the total authorised amount, except for those approved by the general manager.

(2) Market risk management:

Mainly in the open foreign exchange market provided by banks.

(3) Liquidity risk management:

In order to ensure market liquidity, when selecting financial products, they are mainly with higher liquidity (that is, they can be liquidated at any time in the market). Financial institutions entrusted to trade must have sufficient information and the ability to trade in any market at any time.

(4) Cash flow risk management

In order to ensure the stability of the company's working capital turnover, the company's source of funds for derivative commodity transactions is limited to its own funds, and its operating amount should consider the capital needs of the cash flow forecast for the next three months.

(5) Operational risk management

(5-1). Shall faithfully follow the company's authorised limits, operating procedures, and internal audits to avoid losses. Avoid operational risk

(5-2). Personnel engaging in derivatives trading and personnel responsible for confirmation and settlement are not allowed to communicate with each other. Concurrent Positions

(5-3). Risk measurement, supervision and control personnel shall be divided into different departments with the personnel mentioned in the preceding paragraph, and shall report to the Board of Directors or senior executives who are not responsible for trading or position decision-making.

(6) Product risk management

Internal traders should have complete and correct professional knowledge of financial products, and banks are required to fully disclose risks to avoid the risk of misuse of financial products.

(7) Legal risk management

Documents signed with financial institutions shall be inspected by specialists of foreign exchange and legal or legal advisers before they can be officially signed to avoid legal risks.

3. Internal audit system

(1) The internal auditors shall regularly understand the adequacy of the internal control of derivative commodity transactions, and review the compliance of the trading department with the procedures for derivative commodity transactions and analyse the transaction cycle on a monthly basis, and prepare an audit report. If any material violation is found, the Audit Committee shall be notified in writing.

(2) The internal auditors shall report the audit report and the annual audit results of the internal audit operations to the Financial Supervisory Commission by the end of February of the following year, and report the improvement of abnormal matters to the Financial Supervisory Commission before the end of May of the following year for reference.

4. Method of regular evaluation

(1) The Board of Directors shall authorise the senior management to regularly monitor and evaluate whether the transactions of derivative products are carried out in accordance with the procedures set by the Company, and whether the risk undertaken is within the permitted scope of undertaking. When there is an abnormal situation in the market price assessment report (if the position held has exceeded the loss limit), it shall immediately report to the Board of Directors and take corresponding measures.

(2) The positions held by the derivative commodity trading shall be evaluated at least once a week, but if the hedging transaction is carried out for business needs, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior management authorised by the board of directors.

5. The principle of supervision and management of the board of directors when engaging in derivative transactions

(1) The Board of Directors shall designate senior executives to monitor and control the risks of derivative transactions at any time. The management principles are as follows:

(1-1). Regularly evaluate whether the current risk management measures are appropriate and are handled in accordance with the procedures.

(1-2). Supervise transactions and profits and losses, and take necessary measures to respond when abnormal situations are found, and report to the board of directors immediately. If the company has set up independent directors, the board of directors should have independent directors attend and express opinions.

(2) Regularly evaluate whether the performance of derivatives transactions is in line with the established business strategy and whether the risk undertaken is within the company's tolerable range.

(3) When the Company engages in derivative transactions, it authorises relevant personnel to handle the transactions in accordance with the established procedures, and shall report to the latest board of directors after the event.

(4) When the Company engages in derivative transactions, it shall establish a record book for reference, which shall specify the types and amounts of derivative transactions, the date on which the Board of Directors approves the transaction, and the matters to be carefully evaluated in accordance with subparagraph (2), paragraph (1) and (2) of paragraph 4 of this Article, details of which shall be recorded in the record book for reference.

Article 14: Handling procedures for merger, split, acquisition or share transfer

1. Evaluation and Operating Procedures
   (1) When the Company handles a merger, split, acquisition or share transfer, it is necessary to appoint lawyers, accountants and underwriters to jointly discuss the estimated timetable of legal procedures, and the organisation project team shall implement it in accordance with legal procedures. Before the resolution of the board of directors is convened, the accountant, lawyer or securities underwriter shall be entrusted to express opinions on the reasonableness of the conversion ratio, purchase price or the allotment of cash or other assets of the shareholders, and submit it to the board of directors for discussion and approval. However, for a merger between the Company's subsidiaries that hold 100% of the issued shares or total capital or between their respective subsidiaries that hold 100% of the issued shares or total capital, it is not necessary to obtain a reasonable opinion issued by the above-mentioned experts.
   (2) The Company shall prepare a public document to shareholders before the shareholders' meeting is held, and the expert opinions in paragraph (1) of this Article and the notice of the shareholders' meeting shall be delivered to the shareholders as a reference for whether to approve the merger, division or acquisition. However, in accordance with other laws and regulations, shareholders' meeting may be exempted from holding a resolution to merge, split or acquire matters. In addition, the shareholders' meeting of any company participating in the merger, division or acquisition cannot be convened or resolved due to insufficient attendance, voting rights or other legal restrictions, or the proposal is rejected by the shareholders' meeting. The company participating in the merger, division or acquisition should immediately disclose to the public the reason for occurrence, follow-up processing operations and the expected date of the shareholders' meeting.
2. Other matters requiring attention
   (1) Board meeting date: Except where otherwise provided by other laws or where, due to special circumstances, prior approval has been obtained from the Financial Supervisory Commission, companies involved in a merger, division, or acquisition shall hold the board of directors meeting and the shareholders' meeting on the same day to resolve matters related to the merger, division, or acquisition. Companies involved in share transfer, except where otherwise provided by other laws or where, due to special circumstances, prior approval has been obtained from the Financial Supervisory Commission, shall hold the board of directors meeting on the same day.
   (2) Preliminary confidentiality undertaking: All persons participating in or aware of the company's merger, spin-off, acquisition, or share transfer plans shall provide a written confidentiality undertaking. Prior to public disclosure of the information, they shall not disclose the contents of the plan to any external parties, nor shall they, in their own name or through the names of others, buy or sell shares or other equity-type securities of any company related to the merger, spin-off, acquisition, or share transfer transaction.
   (3) Principles for determining and changing the share exchange ratio or acquisition price: Companies participating in a merger, spin-off, acquisition, or share transfer shall, prior to the board meetings of both parties, appoint a certified public accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the share exchange

ratio, acquisition price, or the cash or other property distributed to shareholders, and submit it to the shareholders' meeting. The share exchange ratio or acquisition price shall not, in principle, be arbitrarily changed; however, this does not apply if conditions for changes have been stipulated in the contract and have been publicly disclosed. The conditions under which the share exchange ratio or acquisition price may be changed are as follows:

(3-1). Conduct a cash capital increase, issue convertible corporate bonds, issue stock dividends, issue corporate bonds with warrants, preferred shares with warrants, warrant certificates, and other securities with equity characteristics.

(3-2). Disposing of the company's major assets or engaging in other actions that have an impact on the company's financial and business operations.

(3-3). Occurrence of major disasters, significant technological changes, or other events affecting shareholders' equity or securities prices.

(3-4). Adjustment of treasury shares repurchased by any party participating in a merger, demerger, acquisition, or share transfer in accordance with the law.

(3-5). Increase or decrease in the number of entities participating in the merger, demerger, acquisition, or share transfer.

(3-6). Other conditions that may be modified as stipulated in the contract and have already been publicly disclosed.

(4) Contents that should be included in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, contracts for mergers, spin-offs, acquisitions, or share transfers shall also state the following matters.

(4-1). Handling of breach of contract.

(4-2). Principles for handling equity-type securities already issued or treasury shares already repurchased by companies that are dissolved or split due to a merger.

(4-3). The number of treasury shares that participating companies may repurchase after the record date for calculating the share exchange ratio, and the principles for handling such shares.

(4-4). Methods for handling changes in the number of participating entities or companies.

(4-5). Expected implementation progress of the plan and expected completion schedule.

(4-6). If the plan is not completed by the deadline, the scheduled date for convening a shareholders' meeting as required by law and related procedures.

(5) When the number of companies participating in a merger, division, acquisition, or share transfer changes: if any party among the companies participating in a merger, division, acquisition, or share transfer, after information has been publicly disclosed, intends to further engage in a merger, division, acquisition, or share transfer with other companies, then—unless the number of participating companies is reduced and the shareholders' meeting has already resolved and authorized the board of directors to change its authority, allowing the participating companies to be exempt from convening another shareholders' meeting to re-adopt a resolution—any procedures or legal acts that have already been completed in the original merger, division, acquisition, or share transfer case shall be

re-performed by all participating companies.

(6) If any company participating in the merger, spin-off, acquisition, or share transfer is not a publicly listed company, our company shall enter into an agreement with it and handle the matter in accordance with the provisions of subparagraph (1) of paragraph 2 of this article regarding the date of the board meeting, subparagraph (2) regarding prior confidentiality commitments, and subparagraph (5) regarding changes in the number of companies participating in the merger, spin-off, acquisition, or share transfer.

(7) Listed or OTC companies participating in mergers, demergers, acquisitions, or share transfers shall make a complete written record of the following information and retain it for five years for inspection purposes:

(7-1). Basic personnel information: including, before the announcement of the information, all persons involved in the merger, demerger, acquisition, or share transfer plan or the execution of the plan, their job titles, names, and national identification numbers (or passport numbers if they are foreign nationals).

(7-2). Important dates: including the dates of signing letters of intent or memoranda of understanding, appointing financial or legal advisors, signing contracts, and board meetings.

(7-3). Important documents and minutes: including merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda of understanding, important contracts, and board meeting minutes and other documents.

(8) If a company involved in a merger, division, acquisition, or share transfer includes a company that is not listed or whose shares are not traded on a securities firm’s business premises, the listed company or the company whose shares are traded on a securities firm’s business premises shall sign an agreement with it and handle the matter in accordance with Subparagraph (7) of Paragraph 2 of this Article and Subparagraph (3) of Paragraph 1 of Article 14.

Article 15: Information disclosure procedure

1. Items required to be publicly announced and reporting standards

(1) Acquisition or disposal of real estate or its right-of-use assets from or with related parties, or acquisition or disposal of assets other than real estate or its right-of-use assets with related parties where the transaction amount reaches 20% of the company’s paid-in capital, 10% of total assets, or NT$300 million or more. However, this does not apply to the trading of domestic government bonds, bonds with repurchase or resale conditions, or the subscription or redemption of money market funds issued by securities investment trust enterprises.

(2) Companies listed or traded on securities firm premises that engage in mergers, divisions, acquisitions, or share transfers shall, within two days from the date of the board resolution, submit the information under Article 14, Paragraph 2, Item (7), (7-1). And (7-2)., in the prescribed format via the internet information system to the Financial Supervisory Commission for recordation.

(3) Losses from derivatives transactions reaching the maximum loss amount for all or individual contracts as specified in the established handling procedures.

(4) The type of assets acquired or disposed of is equipment used for operational purposes or right-of-use assets, and the counterparty to the transaction is not a related party, and the transaction amount meets one of the following conditions:

(4-1). When the company’s paid-in capital has not yet reached NT$10 billion, and the transaction amount reaches NT$500 million or more.

(4-2). When the Company's paid-in capital is NT$10 billion or more but less than NT$50 billion, and the transaction amount reaches NT$1 billion or more..

(4-3). When the Company' s paid-in capital reaches NT$50 billion or more, and the transaction amount reaches 5% of the Company' s paid-in capital.

(5) When a company engaged in construction business acquires or disposes of real estate used for construction or its right-of-use assets, and the counterparty to the transaction is not a related party, and the transaction amount has reached NT$500 million or more; provided that if the company' s paid-in capital reaches NT$10 billion or more, and it disposes of real estate from self-developed and completed construction projects, and the counterparty is not a related party, the transaction amount reaches NT$1 billion or more.

(6) When acquiring real estate through methods such as self-owned land commissioned construction, leased land commissioned construction, joint construction with shared housing, joint construction with profit sharing, or joint construction and sale, and the counterparty is not a related party, and the company' s expected investment transaction amount has reached NT$500 million or more.

(7) When the company' s paid-in capital reaches NT$50 billion or more, public government bonds, corporate bonds traded on a securities exchange or over-the-counter market, and general financial debentures that do not involve equity rights (excluding subordinated bonds), and that do not fall under any of the proviso conditions listed in item (8), and where the counterparty is not a related party, and the transaction amount reaches 5% or more of the company' s paid-in capital.

(8) Asset transactions other than the preceding 7 items, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the company' s paid-in capital or NT$300 million or more. However, the following circumstances are not subject to this restriction:

(8-1). Buying and selling domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan' s sovereign credit rating.

(8-2). For entities whose primary business is investment, trading of securities conducted on domestic or foreign stock exchanges or over-the-counter venues, or subscription in the primary market for foreign government bonds or publicly offered corporate bonds, and general financial bonds without equity characteristics (excluding subordinated bonds), or subscription or redemption of securities investment trust funds, or subscription or sale of exchange-traded securities or futures trust funds, or securities purchased by securities firms as required for underwriting business or by recommending securities firms for emerging stock companies in accordance with the regulations of the Taipei Exchange (TPEx).

(8-3). Buying and selling bonds under repurchase or reverse repurchase agreements, or subscribing or redeeming money market funds issued by securities investment trust enterprises.

2. The transaction amounts in items (1) to (8) of the preceding paragraph shall be calculated in accordance with the following methods, and the term "within one year" refers to a period calculated retroactively from the date on which the current transaction actually occurs; portions that have already been announced in accordance with these procedures are exempt from being included again.

(1) The amount of each individual transaction.

(2) Within one year, the cumulative amount of transactions involving the acquisition or disposal of assets of the same nature with the same counterparty.

(3) Within one year, the cumulative amount of acquisitions or disposals (with acquisitions and disposals calculated separately) of real estate or its right-of-use assets under the same development project.

(4) Within one year, the cumulative amount of acquisitions or disposals (with acquisitions and

disposals calculated separately) of the same securities.

3.The provisions of these Guidelines regarding total assets of ten percent shall be calculated based on the total asset amount in the most recent parent-company-only or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. When a company’ s shares have no par value or the par value per share is not NT$10:

(1)The provisions of these Guidelines regarding transaction amounts of 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent company.

(2)The provisions of these Guidelines regarding transaction amounts of 5% of paid-in capital shall be calculated as 2.5% of equity attributable to owners of the parent company.

(3)The provisions of these Guidelines regarding transaction amounts reaching NT$10 billion of paid-in capital shall be calculated as NT$20 billion of equity attributable to owners of the parent company.

(4)The provisions of these Guidelines regarding transaction amounts reaching NT$50 billion of paid-in capital shall be calculated as NT$100 billion of equity attributable to owners of the parent company.

5. Plazo para la publicación y la presentación de informes

Cuando esta sociedad adquiera o enajene activos, y se trate de partidas que deban ser publicadas conforme al apartado primero del presente artículo, y cuyo importe de la transacción alcance el estándar de declaración y publicación aquí establecido, deberá realizar la publicación y presentación del informe dentro de los dos días contados a partir del día siguiente a la ocurrencia del hecho.

6. Procedimiento de publicación y presentación de informes

(1) Esta sociedad deberá publicar y presentar la información correspondiente en el sitio web designado por la Comisión de Supervisión Financiera.

(2) Esta sociedad deberá, con periodicidad mensual, presentar en el formato establecido la situación de las operaciones con instrumentos derivados realizadas por la propia sociedad y sus subsidiarias que no sean compañías cotizadas en el mercado nacional, con datos acumulados hasta el final del mes anterior, ingresando dicha información en el sitio web de presentación de información designado por la Comisión de Supervisión Financiera antes del día diez de cada mes.

(3) Si los elementos que deban ser publicados por esta sociedad conforme a la normativa contienen errores u omisiones en el momento de la publicación y deban ser corregidos, deberán ser nuevamente publicados y declarados en su totalidad dentro de los dos días contados a partir del día siguiente a su conocimiento.

(4) Cuando esta sociedad adquiera o enajene activos, deberá mantener en la empresa los contratos correspondientes, actas, libros de registro, informes de valoración y dictámenes de contadores públicos, abogados o entidades colocadoras de valores. Salvo que otras leyes dispongan lo contrario, dichos documentos deberán conservarse por un mínimo de cinco años.

(5) Tras las transacciones anunciadas y declaradas por la empresa de conformidad con lo dispuesto en el artículo anterior, si ocurre cualquiera de las siguientes circunstancias, deberá, dentro de los dos días contados a partir de la fecha en que ocurra el hecho, presentar la información correspondiente para su anuncio y declaración en el sitio web designado por la Comisión de Supervisión y Administración Financiera:

(5-1). Modificación, terminación o rescisión de los contratos relacionados originalmente firmados en la transacción.

(5-2). La fusión, escisión, adquisición o transferencia de acciones no se completa de acuerdo con el calendario previsto en el contrato.

(5-3). Modificación del contenido originalmente anunciado y declarado.

Article 16: Las subsidiarias de la sociedad deberán cumplir con las siguientes disposiciones:

1. Las subsidiarias deberán asimismo, de conformidad con las disposiciones pertinentes de las "Normas para la adquisición o enajenación de activos por parte de sociedades cotizadas", establecer sus "Procedimientos para la adquisición o enajenación de activos"; una vez aprobados por el Consejo de Administración, deberán ser sometidos a la junta de accionistas, y lo mismo se aplicará a sus modificaciones.
2. Cuando las subsidiarias adquieran o enajenen activos, deberán igualmente actuar de conformidad con sus propios "Procedimientos para la adquisición o enajenación de activos".
3. Cuando una subsidiaria no sea una sociedad cotizada y la adquisición o enajenación de activos alcance los umbrales de anuncio y declaración establecidos en las "Normas para la adquisición o enajenación de activos por parte de sociedades cotizadas", la sociedad matriz también deberá, en nombre de dicha subsidiaria, realizar los correspondientes trámites de anuncio y declaración.
4. En lo relativo a las disposiciones sobre capital pagado o activos totales para los umbrales de anuncio y declaración aplicables al párrafo 1 del artículo 15 de estos procedimientos, respecto de las subsidiarias, se tomará como referencia el capital pagado o los activos totales de la sociedad matriz (principal).

Article 17: Sanciones

Los empleados de la empresa que, en el desempeño de las operaciones de adquisición y enajenación de activos, infrinjan las disposiciones de este procedimiento serán sancionados de acuerdo con el reglamento de trabajo de la empresa, en función de la gravedad de la infracción.

Article 18: Implementation and Amendment

1. The Company's "Procedures for Acquisition or Disposal of Assets" shall be approved by more than one-half of all members of the Audit Committee and, after approval by the Board of Directors, submitted to the shareholders' meeting for approval. The same procedure shall apply to any amendments. If any director expresses dissent and such dissent is recorded or provided in writing, the Company shall also submit the director's dissenting materials to the Audit Committee.
2. When the Company submits the Procedures for Acquisition or Disposal of Assets to the Board of Directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director. If an independent director has any dissenting or reserved opinion, it shall be recorded in the minutes of the Board meeting.
3. If the matter in the preceding paragraph is not approved by more than one-half of all members of the Audit Committee, it may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the Board meeting minutes.
4. The "all members of the Audit Committee" referred to in the preceding paragraph and "all directors" referred to in the paragraph above shall be calculated based on those actually in office.

Article 19: Supplementary Provisions

1. Any matters not fully covered in these operating procedures shall be handled in accordance with relevant laws and regulations.
2. These operating procedures were established on June 30, 1999; first revision on June 30, 2002; second revision on June 26, 2009; third revision on June 24, 2011; fourth revision on June 22, 2012; fifth revision on June 24, 2014; sixth revision on June 26, 2017; seventh revision on June 25, 2019; eighth revision on June 22, 2020; ninth revision on June 27, 2022;Tenth revision on June 24, 2026.