

EPISIL-PRECISION INC.

Procedures for Acquisition or Disposal of Assets

2023.05.31 The shareholders' regular meeting revised and approved

1 Purpose and source of law

In order to protect assets and implement information disclosure, this procedure has been revised in accordance with Article 36-1 of the Securities Exchange Law and the relevant regulations of the competent securities authorities.

2 Asset scope

The scope of application of assets referred to in this processing procedure is as follows:

- (1) Negotiable securities: including stocks, government bonds, corporate bonds, financial bonds, domestic beneficiary certificates, overseas mutual funds, depositary receipts, subscription (put) warrants, beneficiary securities and asset-based securities, etc. Long-term and short-term investments.
- (2) Real estate (including land, buildings and buildings, investment real estate, land use rights) 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, foreign exchange purchases and discounts, loans, and collections).
- (7) Derivatives: Refers to forward contracts, option contracts, futures contracts, leveraged margin contracts, exchange contracts whose value is derived from commodities such as assets, interest rates, exchange rates, indexes or other interests, and combinations of the above commodities Composite contracts, etc. The so-called forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.
- (8) Assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions, or share transfers: refer to assets acquired or disposed of through mergers, divisions, or acquisitions in accordance with the Enterprise Merger and Acquisition Law, the Financial Holding Company Law, the Financial Institution Merger Law, or other laws. Assets, or transfer of shares of another company by issuing new shares in accordance with Article 156, Item 6 of the Company Law (hereinafter referred to as "share transfer").
- (9) Other important assets.

3 Procedures for acquiring or disposing of real estate, equipment or right-of-use assets

3.1 Operating procedures: The company's acquisition or disposal of real estate, equipment

or its right-to-use assets shall be handled in accordance with the company's internal control system real estate plant and equipment circulation procedures.

3.2 Evaluation procedure:

3.2.1. Acquisition or disposal of real estate, equipment or right-to-use assets shall be negotiated with reference to the announced present value, assessed present value, actual transaction price or book value of nearby real estate, and supplier quotations.

3.2.2 Acquisition or disposal of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-construction, leased land commissioned construction, or acquisition and disposal of equipment for business use or their right-to-use assets, the transaction amount If it reaches 20% of the company's paid-in capital or NT\$300 million or more, a valuation report issued by a professional appraiser shall be obtained before the fact occurs, and the following requirements shall be met. However, if assets are acquired or disposed of through court auction procedures, the certification documents issued by the court may be substituted for the valuation report or accountant's opinion. The calculation of the transaction amount shall be handled in accordance with Article 10.1.(6) of these Procedures.

(1) When the limited price or specific price must be used as the reference basis for the transaction price due to special reasons, the transaction should first be submitted to the board of directors for approval; the same applies when there is a subsequent change in the transaction conditions.

(2) If the transaction amount exceeds NT\$1 billion, at least two professional appraisers should be invited for valuation.

(3) The valuation results of professional appraisers fall under any of the following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, an accountant should be consulted according to the Accounting Research and expresses specific opinions on the reasons for the difference and the fairness of the transaction price:

①The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.

②The difference between the valuation results of two or more professional appraisers amounts to more than 10% of the transaction amount.

(4) The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if it is applicable to the present value announced in the same period and within six

months, the original professional appraiser may issue a letter of opinion.

3.3 Execution unit: The execution unit of the company's acquisition or disposal of real estate, equipment or its right-to-use assets is the use department and management center.

4 Procedures for acquiring or disposing of securities investment

4.1 Operating procedures: The purchase and sale of long-term and short-term securities of the company are handled in accordance with the investment cycle of the company's internal control system.

4.2 Evaluation procedure:

4.2.1 When the company acquires or disposes of securities, it shall take the most recent financial statements of the company that has the target, which has been verified and certified by an accountant or reviewed by an accountant, as a reference for evaluating the transaction price before the fact occurs.

4.2.2 The securities traded in centralized trading markets or over-the-counter trading centers are determined according to the current equity or bond prices.

4.2.3 For securities that are not traded in centralized trading markets or over-the-counter trading centers, their net value per share, profitability, future development potential, market interest rates, bond coupon rates, and debtor creditworthiness, etc., shall be considered, and the latest transactions at that time shall be referred to The price is negotiated.

4.2.4 If the company acquires or disposes of marketable securities amounting to 20% of the company's paid-in capital or NT\$300 million or more, it shall consult an accountant to express its opinion on the rationality of the transaction price before the fact occurs. However, this restriction shall not apply if the securities are publicly quoted in an active market or otherwise stipulated by the competent securities authority. The calculation of the transaction amount shall be handled in accordance with Article 10.1.(6) of these Procedures.

4.2.5 Investment quota of securities: the company and its subsidiaries invest in securities, the total investment shall not exceed 20% of the net value of their latest financial statements, and the investment amount of individual securities shall not exceed their latest financial statements. Twenty percent of the reported net value.

4.2.6 Approval authority for negotiable securities: Authorize the chairman to carry out transactions within the quota set in 4.2.5 of this procedure. If the transaction amount complies with the announcement and declaration procedures mentioned in point 10, it shall be submitted to the latest board of directors for ratification. However, if the acquisition or disposal of stocks and corporate bonds, privately placed securities, mainland investment, etc. that are not traded in centralized

trading markets or over-the-counter trading centers, it should be approved by the board of directors before proceeding.

4.3 Execution unit: The execution unit of the company's securities investment is the management center.

5 Procedures for acquiring or disposing of intangible assets or their right-to-use assets or membership cards

5.1 Operating procedures: The company's acquisition or disposal of intangible assets or their right-to-use assets or membership cards is handled in accordance with the company's internal control system real estate plant and equipment circulation procedures.

5.2 Evaluation procedure:

5.2.1 When obtaining or disposing of membership certificates, the benefits that can be generated should be considered, and the latest transaction price at that time should be considered; when obtaining or disposing of intangible assets such as patent rights, copyrights, trademark rights, and licenses, or their right to use assets, reference should be made to international Or market practice, useful life and impact on the company's technology and business.

5.2.2 Where the transaction amount of acquiring or disposing of intangible assets or their right-to-use assets or membership cards amounts to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Before the fact occurs, the accountant shall be contacted to express his opinion on the rationality of the transaction price. The calculation of the transaction amount shall be handled in accordance with Article 10.1.(6) of these Procedures.

5.3 Execution unit: The execution unit of the company's acquisition or disposal of intangible assets or their right-to-use assets or membership certificates is the user unit and management center.

6 Procedures for dealing with related party transactions

6.1 Operating procedures:

6.1.1 When the company acquires or disposes of assets with related parties, in addition to handling relevant resolution procedures and assessing the rationality of transaction conditions in accordance with Article 3 and Article 6 of these procedures, the transaction amount reaches more than 10% of the company's total assets In addition, an appraisal report or an accountant's opinion issued by a professional appraiser shall also be obtained in accordance with the provisions of the preceding section. The calculation of the transaction amount shall be handled in accordance with Article 10.1.(6) of these Procedures.

6.1.2 When judging whether the transaction object is a related party, in addition to

paying attention to its legal form, the substantive relationship should also be considered.

6.1.3 The company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital, For those who have 10% of their total assets or NT\$300 million or more, in addition to buying and selling domestic government bonds, bonds with repurchase or repurchase conditions, and purchasing or repurchasing money market funds issued by domestic securities investment trust enterprises, the following After the information is submitted to the board of directors for approval, the transaction contract can be signed and the payment can be made. The calculation of the transaction amount shall be handled in accordance with Article 10.1.(5) of these Procedures.

Where independent directors have been appointed in accordance with the provisions of this Act, when submitting to the board of directors for discussion in accordance with the provisions of Paragraph 1, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, they shall be stated in the minutes of the board meeting.

Where an audit committee has been established in accordance with the provisions of this Act, it shall first obtain the consent of more than half of all members of the audit committee and submit a resolution to the board of directors.

- (1) The purpose, necessity and expected benefits of acquiring or disposing of assets.
- (2) Reasons for selecting related parties as transaction partners.
- (3) Obtain real estate or its right-to-use assets from related parties, and evaluate the relevant information on the rationality of the predetermined transaction conditions in accordance with the provisions of Article 6.2 of this procedure.
- (4) Matters such as the date and price of the original acquisition by the related party, the transaction object and its relationship with the company and the related party.
- (5) The monthly cash income and expenditure forecast table for each month in the coming year starting from the contracting month, and evaluate the necessity of the transaction and the rationality of the use of funds.
- (6) The appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.
- (7) Restrictive conditions and other important agreed matters of this transaction.

6.1.4 The company and its parent company, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital of each other, acquire or dispose of equipment for business use or its right-to-use assets, real estate use-right assets, the board of directors The chairman may be authorized to make a decision within a certain amount first, and then report to the latest board of directors for ratification afterwards.

6.1.5 If the company or its non-domestic subsidiaries have transactions in Article 6.1.3 of this procedure, and the transaction amount reaches more than 10% of the company's total assets, the company shall submit the materials listed in Article 6.1.3 of this procedure After the approval of the shareholders' meeting, the transaction contract can be signed and the payment can be made. However, this does not apply to transactions between the company and its parent company, subsidiaries, or between subsidiaries. The calculation of the transaction amount shall be handled in accordance with the provisions of Article 10.1.(6) of these procedures, and the term "within one year" is based on the date when the transaction actually occurred, and one year is retroactively calculated, which has been submitted to the shareholders in accordance with the provisions of this standard. The meeting and the board of directors approve part of the exemption from re-counting.

6.2 Evaluation procedure:

6.2.1 When the company obtains real estate or right-of-use assets from related parties, it shall assess the rationality of the transaction costs in accordance with the following methods, and shall consult an accountant for review and express specific opinions:

(1) The necessary capital interest and the legally borne costs of the buyer shall be added based on the transaction price of related parties. The interest cost of the necessary funds is calculated based on the weighted average interest rate of the borrowings in the year the company purchased the assets, provided that it cannot be higher than the highest non-financial industry loan interest rate announced by the Ministry of Finance.

(2) If a related party has set up a mortgage loan with a financial institution with the subject matter, the financial institution's loan to the subject matter has an appraised total value, but the actual cumulative value of the financial institution's loan to the subject matter should reach the loan appraisal More than 70% of the total value and the loan period has exceeded one year. However, this does not apply where the financial institution and one of the parties to the transaction are related parties to each other.

6.2.2 Where land and houses of the same target are purchased or leased jointly, the transaction cost may be assessed by any of the methods listed in the preceding

paragraph for the land and houses respectively.

6.2.3 When the company acquires real estate or its right-to-use assets from related parties, under any of the following circumstances, it shall be handled in accordance with the provisions of Article 6.1.3 of this procedure, and the provisions of Articles 6.2.1 and 6.2.2 of this procedure shall not apply:

- (1) The related party acquires the real property or its right-of-use assets through inheritance or gift.
- (2) It has been more than five years since the related party contracted to acquire the real estate or its right-to-use asset from the contract date of this transaction.
- (3) Sign a joint construction contract with related parties, or obtain real estate by entrusting related parties to build real estate from land commissioned construction, leased land commissioned construction, etc.
- (4) The public offering company and its parent company, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire real estate use rights assets for business use.

6.2.4 When the company acquires real estate or right-of-use assets from related parties, the evaluation results in accordance with the provisions of Articles 6.2.1 and 6.2.2 of this procedure are lower than the transaction price, and it shall be handled in accordance with the provisions of Article 6.2.5 of this procedure. However, this shall not apply if objective evidence is provided and specific reasonable opinions from professional real estate appraisers and accountants are obtained due to the following circumstances:

- (1) If the related party acquires plain land or leased land for further construction, he may prove that he meets one of the following conditions:
 - ①The plain land shall be evaluated according to the method stipulated in the preceding article, and the construction cost of the related party plus a reasonable construction profit shall be added for the house, if the total exceeds the actual transaction price. The term "reasonable construction profit" shall be based on the lower of the average operating gross profit margin of the related party's construction department in the last three years or the most recent construction gross profit rate announced by the Ministry of Finance.
 - ②Trade cases of other non-related parties on other floors of the same target premises or in adjacent areas within one year, with similar areas, and the transaction conditions are equivalent after being evaluated according to the reasonable floor or area price difference that should be expected in real estate trading or leasing practices.

(2) The company provides proof that the real estate purchased from a related party or the right to use real estate obtained by leasing the asset, the transaction conditions are comparable to other non-related party transactions within one year in the adjacent area and the area is similar. The above-mentioned transaction cases in adjacent areas are based on the principle of the same or adjacent street and the distance from the transaction target is not more than 500 meters, or the announced current value is similar; the area is similar, and other non-related person transaction cases are used. The principle is that the area of the real estate is not less than 50% of the area of the subject matter of the transaction; the aforementioned within one year refers to the date when the acquisition of the real estate or its right-to-use assets takes place as the basis, and is calculated retroactively for one year.

6.2.5 When the company obtains real estate or right-of-use assets from related parties, if the evaluation results in accordance with the provisions of 6.2.1 and 6.2.2 of this procedure are lower than the transaction price, the following matters should be handled:

(1) The company shall set aside the difference between the transaction price of the real estate or its right-to-use asset and the evaluation cost in accordance with Article 41, Paragraph 1 of the Securities and Exchange Law, as a special surplus reserve, which shall not be distributed or transferred to capital increase and allotment of shares. Investors who use the equity method to evaluate the company's investment, if they are publicly issued companies, should also set aside the amount as a special surplus reserve in accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act in accordance with the shareholding ratio. The special surplus reserve may only be used when the asset purchased or leased at a high price has been recognized as a loss in price or disposed of or terminated the lease or for appropriate compensation or restoration, or other evidence confirms that it is not unreasonable, and with the approval of the competent securities authority.

(2) The handling of the first two items should be reported to the shareholders' meeting, and the details of the transaction should be disclosed in the annual report and prospectus.

6.2.6 When the company acquires real estate or right-of-use assets from related parties, if there is other evidence showing that the transaction is not in compliance with business practices, it shall also be handled in accordance with the provisions of Article 6.2.5 of this procedure.

The company does not engage in transactions of acquiring or disposing of creditor's rights of financial institutions. If it intends to engage in transactions of acquiring or disposing of creditor's rights of financial institutions in the future, it will submit to the board of directors for approval before formulating its evaluation and operating procedures.

8 Procedures for acquiring or disposing of derivative products

8.1 Trading principles and guidelines

8.1.1 Types of transactions: The types of derivative products that the company engages in include forward contracts, options, interest rate or exchange rate exchanges, and compound contracts formed by combining the above commodities. If you need to engage in other derivative products, you should obtain the approval of the board of directors before doing so.

8.1.2 Hedging strategy: The company engages in derivative commodity transactions, with the principle of avoiding risks, and the net balance of the due date, amount and currency of the receivables and payables or assets and liabilities generated by the company due to business parts to avoid danger.

8.1.3 Division of powers and responsibilities:

- (1) The financial department should collect relevant information at any time, judge trends and risk assessments, consider the net risk position of the company, prepare operational strategy plans, and avoid risks according to the company's policies in accordance with the instructions of the responsible supervisor.
- (2) The trader shall deliver the transaction certificate or contract to the log-in personnel for login.
- (3) The registration staff should regularly reconcile the account with the bank, and check at any time whether the total transaction amount has exceeded the net position of foreign currency assets, liabilities, and commitments.
- (4) If the company engages in derivatives transactions, it needs to report to the latest board of directors afterwards.

8.1.4 Performance evaluation: The financial department should conduct performance evaluation according to the following items, and regularly prepare reports for the management level:

- (1) Based on the performance evaluation based on the exchange rate cost on the company's book and the profit and loss arising from derivative financial product transactions.
- (2) In order to fully grasp and express the evaluation risk of the transaction, the company adopts the method of monthly evaluation to evaluate the profit and loss.

8.1.5 Total amount of the contract:

- (1) Imported raw materials and export payment: The upper limit is the net foreign exchange position of the company after offsetting the import and export payment for the next six months.
- (2) Project capital expenditure: The company's foreign currency procurement position in the next year will be the upper limit.
- (3) The net position forecast is drawn up based on the annual plan estimates of the business department and the purchasing department.
- (4) If the above transaction quota must be exceeded due to factual needs, it must be approved by the board of directors.

8.1.6 Loss Cap:

- (1) If the evaluation profit and loss generated by derivative commodities and the exchange profit and loss generated by the corresponding import and export foreign exchange payment cannot offset each other, if the total contract comprehensive loss of the derivative commodity transaction exceeds 10% of the transaction amount, Immediately report to the general manager to discuss necessary countermeasures.
- (2) The amount of individual contract losses shall be subject to the lower limit of US\$150,000 or 5% of the transaction amount.

8.2 Risk management measures

8.2.1 Credit risk management: The trading partners are limited to banks with which the company deals and can provide professional information as a principle.

8.2.2 Market risk management: The market is dominated by the open foreign exchange market between banks and clients.

8.2.3 Liquidity risk management: The choice of financial products is mainly based on high liquidity. The transaction bank must have sufficient equipment, information and transaction capabilities, and be able to conduct transactions in any market at any time.

8.2.4 Cash flow risk: In order to ensure the stability of the company's working capital turnover, the company's source of funds for derivatives transactions is limited to its own funds.

8.2.5 Operational risk management:

- (1) The authorized amount and operating procedures should be strictly followed to avoid operating risks.
- (2) Trading personnel and confirmation, delivery and other operational personnel shall not concurrently serve as each other.
- (3) Risk measurement, supervision and control personnel should belong to different

departments from the personnel in the preceding paragraph, and should report to the board of directors or to senior executives who are not responsible for transactions or position decisions.

8.2.6 Legal risk management: The documents signed with the bank must be read carefully before they can be formally signed to avoid legal risks. If necessary, lawyers can be consulted.

8.3 Internal Audit System

8.3.1 Internal auditors should regularly understand the admissibility of the internal control of derivatives transactions, and audit the trading department's compliance with the procedures for derivatives transactions on a monthly basis, and prepare an audit report. If major violations are found, they should report in writing Notify all independent directors.

8.3.2 Internal auditors should report the audit report together with the implementation of the annual internal audit plan to the Securities Regulatory Commission before the end of February of the following year, and report the improvement of abnormal matters to the Securities Regulatory Commission for future reference no later than the end of May of the following year .

8.4 Periodic evaluation method

8.4.1 The position held in the derivatives exchange shall be evaluated at least once a week, but if it is a hedging transaction for business needs, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the general manager.

8.4.2 The board of directors shall designate senior executives to pay attention to the supervision and control of derivatives trading risks at all times. The board of directors should also regularly evaluate whether the performance of derivatives transactions is in line with the established business strategy and whether the risks assumed are within the company's acceptable range.

8.4.3 Senior executives authorized by the board of directors shall manage derivatives transactions in accordance with the following principles:

(1) Regularly evaluate whether the risk management measures currently in use are appropriate and whether they are actually handled in accordance with the company's established procedures.

(2) Supervise the transaction and profit and loss situation, and take necessary countermeasures if any abnormalities are found, and report to the board of directors immediately. The board of directors should have independent directors present and express their opinions.

8.4.4 When the company engages in derivatives transactions, it shall establish a reference book, and record in detail the types and amounts of derivative

transactions, the date of approval by the board of directors, and matters that should be carefully evaluated in accordance with Article 8.4 of these procedures in the reference book for future reference. .

9 Handle procedures for mergers, divisions, acquisitions or share transfers

9.1 When the company handles mergers, splits, acquisitions, or share transfers, it should appoint accountants, lawyers, or securities underwriters to express the rationality of the share exchange ratio, purchase price, or allotment of cash or other properties to shareholders before the resolution of the board of directors is convened. Opinions shall be submitted to the board of directors for discussion and approval. However, the merger of its subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, or the merger of subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, is exempt from obtaining the reasonableness opinion issued by the preceding expert.

9.2 The company shall make a public document to shareholders prior to the shareholders' meeting on the important agreements and related matters of the merger, division or acquisition, and deliver it to the shareholders together with the expert opinion in Article 9.1 of this procedure and the meeting notice of the shareholders' meeting. As a reference for whether to approve the merger, division or acquisition. However, this restriction does not apply to those who are exempted from convening a shareholders' meeting to resolve merger, division, or acquisition matters in accordance with other laws. In addition, for companies participating in mergers, divisions or acquisitions, the shareholders' meeting of either party cannot be held, resolved, or rejected by the shareholders' meeting due to insufficient attendance, insufficient voting rights or other legal restrictions. Companies participating in mergers, divisions or acquisitions should Immediately publicly explain the cause of the occurrence, follow-up processing operations and the expected date of the shareholders' meeting.

9.3 Date of the board meeting: Unless otherwise stipulated by other laws or there are special factors that have been reported to the securities regulatory authority for approval in advance, when the company participates in a merger, division or acquisition, it shall hold a board meeting and a shareholder meeting on the same day as other participating companies to make resolutions on mergers, mergers, and acquisitions. Matters related to division or acquisition; when participating in the transfer of shares, the board of directors shall be held on the same day as other participating companies.

The following information should be made into a complete written record and kept for five years for inspection:

- (1) Basic personnel information: including all persons involved in the merger, division, acquisition or share transfer plan or plan implementation before the

information is disclosed, including their professional titles, names, and ID numbers. (Passport number for foreigners)

- (2) Dates of important events: including the date of signing a letter of intent or memorandum, entrusting a financial or legal advisor, signing a contract, and the date of the board of directors.
- (3) Important documents and meeting minutes: including mergers, divisions, acquisitions or share transfer plans, letters of intent or memorandums, important contracts, and minutes of board meetings.

9.4 Confidentiality commitment in advance: All those who participate in or know the company's merger, split, acquisition or share transfer plan should issue a written confidentiality commitment. Nominal sale and purchase of all company stocks and other securities with equity nature related to mergers, divisions, acquisitions or share transfers.

9.5 Share exchange ratio or purchase price:

The share exchange ratio or purchase price of a merger, split, acquisition, or share transfer shall not be changed arbitrarily, except for the following circumstances, and shall be subject to change in the merger, split, acquisition, or share transfer contract:

- (1) Handling capital increase in cash, issuance of converted corporate bonds, free allotment of shares, issuance of corporate bonds with warrants, special shares with warrants, warrant certificates and other securities with equity nature.
- (2) Acts that affect the company's financial business, such as disposing of the company's major assets.
- (3) The occurrence of major disasters, major technological changes, and other events that affect the company's shareholders' equity or securities prices.
- (4) Any party involved in the merger, split, acquisition, or share transfer of the company repurchases treasury shares according to the law.
- (5) Changes in the increase or decrease in the number of entities or companies involved in mergers, divisions, acquisitions, or share transfers.
- (6) Other conditions that have been stipulated in the contract and can be changed, and have been disclosed to the public.

9.6 The contract should contain:

When the company participates in mergers, divisions, acquisitions, or share transfers, the contract shall specify the rights and obligations of the participating companies and specify the following items:

- (1) Handling of breach of contract.
- (2) Principles for the treatment of previously issued equity securities or repurchased treasury shares of companies that are eliminated or split due to

mergers.

- (3) The number of treasury shares that a participating company may repurchase according to law after the base date for calculating the share exchange ratio and its handling principles.
- (4) The method of handling the increase or decrease of the participating entities or the number of companies.
- (5) Estimated plan implementation progress and expected completion schedule.
- (6) When the plan is overdue and not completed, relevant procedures such as the scheduled date of the shareholder meeting that should be convened according to laws and regulations.

9.7 If any party of a company involved in a merger, split, acquisition or transfer of shares intends to merge, split, acquire or transfer shares with other companies after the information is disclosed to the public, unless the number of participating companies is reduced and the shareholders' meeting has passed a resolution and In addition to authorizing the board of directors to change the authority, the participating companies are exempted from convening a shareholders' meeting to make a new resolution. In the original merger, split, acquisition, or share transfer case, the completed procedures or legal acts should be re-acted by all participating companies.

9.8 If any of the companies participating in the merger, division, acquisition or transfer of shares is not a public offering company, the Company shall sign an agreement with them and follow the provisions of Articles 9.3, 9.4 and 9.7 of this procedure.

10 Announcement declaration procedure

10.1 When the company acquires or disposes of real estate or its right-to-use assets, if any of the following circumstances occurs, the relevant information shall be announced and declared on the website designated by the securities regulatory authority within two days from the date of occurrence:

- (1) Obtaining or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital, total assets 10% or NT\$300 million or more, except for the purchase and sale of domestic government bonds, bonds with repurchase or repurchase conditions, purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.
- (2) Merger, division, acquisition or transfer of shares.
- (3) Losses from derivative commodity transactions reach the upper limit of all or individual contract losses stipulated in the handling procedures.

- (4) Acquisition or disposal of equipment for business use or its right-to-use assets, and the transaction partner is not a related party, and the transaction amount meets one of the following requirements:
- ① Public offering companies whose paid-in capital is less than NT\$10 billion, and whose transaction amount exceeds NT\$500 million.
 - ② Public offering companies with a paid-in capital of NT\$10 billion or more, and a transaction amount of NT\$1 billion or more.
- (5) The real estate is acquired by self-construction, leased-land commissioned construction, joint construction of subdivided houses, joint construction sharing, and joint construction and subsale, and the transaction object is not a related party, and the company expects to invest in the transaction amount up to NT\$ More than 500 million yuan.
- (6) Asset transactions other than the preceding five items, disposition of creditor's rights by financial institutions, or investment 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 limited to this:
- ① Buy and sell domestic government bonds or foreign public bonds with a credit rating not lower than my country's sovereign rating.
 - ② Buying and selling bonds subject to buy-back and sell-back conditions, purchasing or buying back money market funds issued by domestic securities investment trust enterprises.

The amount in the preceding paragraph shall be calculated in the following manner:

- ① Amount of each transaction.
- ② Accumulated transaction amount of the same nature acquired or disposed of with the same counterparty within one year.
- ③ Accumulated acquisition or disposal within one year (acquisition and disposal are accumulated separately) the same development plan real estate or its right-to-use assets.
- ④ Accumulate the amount of the same securities acquired or disposed of within one year (acquisition and disposal are accumulated separately).

The term "within one year" mentioned in the preceding paragraph is based on the date when the transaction actually occurred, and is calculated retroactively for one year, and has been announced in accordance with the "Standards for the Treatment of Assets Acquisition or Disposal by Public Offering Companies" .Partially exempt from recounting.

10.2 The company shall enter the information on the derivatives transactions of the company and its non-domestic subsidiaries as of the end of the previous month into

the information reporting website designated by the securities regulatory authority in accordance with the prescribed format on a monthly basis before the tenth day of each month.

10.3 If there are errors or omissions in the announcement of the project according to the regulations and should be corrected, the company shall re-announce and declare all the items within two days from the day it is known.

10.4 After the company announces and declares the transaction in accordance with the regulations, if any of the following situations occurs, the relevant information shall be announced and declared on the website designated by the association within two days from the day when the fact occurs:

(1) The relevant contract signed by the original transaction has been changed, terminated or cancelled.

(2) The merger, division, acquisition or transfer of shares has not been completed according to the scheduled schedule in the contract.

(3) The content of the original announcement has changed.

10.5 When the company acquires or disposes of assets, it shall keep relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters on the company, and keep them for at least five years unless otherwise stipulated by other laws. .

11 Quotas for investing in non-operating real estate or its right-of-use assets and securities

The amount of non-operating real estate or right-of-use assets or securities acquired by the Company and its subsidiaries is as follows:

(1) The investment in real estate or right-of-use assets that are not for business use must first be approved by a resolution of the board of directors.

(2) The total investment in marketable securities (excluding bonds) shall not exceed 20% of the net worth.

(3) The total amount of bonds invested must not exceed 40% of the net value. If it exceeds the limit, it must be approved by the general manager and the chairman of the board.

(4) The amount invested in individual securities shall not exceed 20% of the net worth.

12 Control over acquisition and disposal of assets by subsidiaries:

12.1 Subsidiaries shall formulate and implement the "procedures for handling assets or disposing of assets" in accordance with the "Guidelines for Handling Assets Acquisition or Disposal of Public Issue Companies".

12.2 If the subsidiary company is not a domestic public offering company, if its acquisition or disposal of assets reaches the standard for announcement and declaration in this procedure, it shall notify the company on the day when the fact

occurs to handle the announcement and declaration.

12.3 In the subsidiary's announcement reporting standards, the term "up to the company's paid-in capital or total assets" refers to the company's paid-in capital or total assets.

13 For valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company, the professional appraiser and its appraisers, accountants, lawyers, or securities underwriters shall meet the following requirements:

1. Has not been sentenced to a fixed-term imprisonment of more than one year for violation of this Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Commercial Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or crimes in business Sure. However, this restriction does not apply to those who have been executed, the probation period has expired, or three years have elapsed since the pardon.
2. Circumstances in which the party to the transaction must not be a related party or have a substantial related party.
3. If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or have substantial relationship with each other.

The personnel in the preceding paragraph shall follow the self-regulatory regulations of the trade associations to which they belong and the following matters when issuing a valuation report or opinion:

1. Before undertaking a case, one should carefully evaluate one's own professional ability, practical experience and independence.
2. When carrying out a case, proper planning and implementation of the appropriate operating procedures should be made to form conclusions and issue reports or opinions based on them; and the procedures executed, data collected and conclusions should be detailed in the case working papers.
3. The appropriateness and rationality of the data sources, parameters, and information used should be evaluated item by item, so as to serve as the basis for issuing valuation reports or opinions.
4. Statements should include matters such as the professionalism and independence of the relevant personnel, the reasonableness and appropriateness of the information used after evaluation, and compliance with relevant laws and regulations.

14 This procedure should be approved by the audit committee, approved by the board of directors, and submitted to the shareholders' meeting for approval. The same is true for revisions.

