

Zig Sheng Industrial Co., Ltd.

Procedures for Governing the Acquisition and Disposal of Assets

Submitted to the shareholders meeting
for approval on June 06, 2024

Article 1 Purpose

For the purposes of strengthening asset management, securing investments, and implementing public disclosure of information, all of the our company acquisition or disposal of assets is handled in accordance with these procedures.

Article 2 The Scope Of Assets

2.1 The term "assets" as used in these procedure includes the following:

- (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- (2) Real property (including land, houses and buildings, investment property) and equipment.
- (3) Memberships.
- (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (5) Right-of-use assets.
- (6) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- (7) Other major assets.

2.2 Regarding derivatives trading, it is separately handled in accordance with the our company “Procedures Governing Derivatives Trading.”

Article 3 Appraisal procedures

The means of price determination and supporting reference materials of acquisition and disposal of each kind of assets.

3.1 Investments in each kind of securities.

3.1.1 Price determination for acquisition and disposal of securities, which have been exchanged at the centralized securities exchange market or the over-the-counter (OTC) markets, is based on the current stock price or the current bond price.

3.1.2 Price determination for acquisition and disposal of securities, which have not been exchanged at the centralized securities exchange market or the OTC markets, is based on

the book value per share, profitability, potential of future development, the market rate of interest, the coupon rate of bonds, the debtor's creditability, and the current trading price.

3.1.3 Our company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.

3.1.4 If the dollar amount of the transaction is 20 percent of the our company paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

The calculation of the transaction amounts referred to in this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.

Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

3.1.5 The limitations under Articles 3.1.3 and 3.1.4 do not apply to securities with publicly quoted prices that have an active market or securities belonging to those under Article 3.1.6.

3.1.6 The limitations under Articles 3.1.3 and 3.1.4 do not apply to acquisition or disposal of the following securities, which do not belong to private-placement ones:

- (1) Securities established or offered according to the law and acquired by cash, or subscribed via cash capital increase and issued with the par value, or subscribed via cash capital increase in an invested company of direct or indirect 100% shareholding, or subscribed via cash capital increase between subsidiaries of 100% shareholding.
- (2) Securities listed on the Emerging Market.
- (3) Domestic government bonds, bonds under repurchase and resale agreements, or onshore and offshore publicly offered funds.
- (4) Securities subscribed via cash capital increase in a domestic public company or corporate bonds (including financial bonds) subscribed domestically, which do not belong to private-placement ones.
- (5) Domestic private-placement funds subscribed or redeemed before such funds are established in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act, or domestic private-placement funds subscribed, redeemed, or repurchased, where the investment strategy as clearly written in the trust agreement is that, except for securities margin transactions and products related to open positions in securities held, the rest is the same as the investment scope of publicly offered funds.

3.2 Real property, equipment and other major assets, or right-of-use assets thereof

3.2.1 Price determination shall be done by price comparison, price bargaining, or bid invitation and refer to the publicly announced current value, the assessed current value, the actual transaction price of neighboring real property, the latest deal price, and transaction prices in the past.

3.2.2 Appraisal

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

3.2.2.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

3.2.2.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3.2.2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price, and it should be approved by more than 2/3 of the board of directors and half of the attendees.

(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

3.2.2.4 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

3.2.2.5 The calculation of the transaction amounts referred to in this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as

used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

3.2.3 Related party Transaction

3.2.3.1 When our company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions in accordance with these procedures.

The calculation of the transaction amounts referred to in this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

3.2.3.2 Our company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by audit committee the board of directors for approval and shareholders by the supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 3 of 3.2.3.3 and 3, of 3.2.3.4.

- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions which are acquisition or disposal of real property and equipment or right-of-use assets, there of held for business use, when to be conducted between our company and our parent or subsidiaries, or between our subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the board chairman to decide such matters when the transaction is within NT 500 million and have the decisions subsequently submitted to and ratified by the next audit committee and board of directors meeting.

Our company or a subsidiary thereof that is not a domestic public company will have a transaction set out in Article (1) of 3.2.3.2 and the transaction amount will reach 10 percent or more of our company's total assets, the public company shall submit the materials in all the subparagraphs of Article (1) of 3.2.3.2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in this item Article 3.2.3.2 shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

3.2.3.3 Our company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- (2) Total loan value appraisal from a financial institution where the related party has previously

created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

- (3) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the Articles(1) and (2) of 3.2.3.3.
- (4) Our company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the Articles (1) and (2) of 3.2.3.3 shall also engage a CPA to check the appraisal and render a specific opinion.
- (5) Where our company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Articles 3.2.3.2, and the (1) and (2)and (3) and (4) of 3.2.3.3 paragraphs do not apply:
 - ①The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - ②More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - ③The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - ④The real property right-of-use assets for business use are acquired by our company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

3.2.3.4 When the results of our company appraisal conducted in accordance with Articles (1) and (2) and (3) of 3.2.33 are uniformly lower than the transaction price, the matter shall be handled in compliance with 3.2.3.5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

① Where undeveloped land is appraised in accordance with the means under Article 3.2.3.3, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

② Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

(2) Where our company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

3.2.3.5 Where our company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Articles 3.2.3.3 and 3.2.3.4 are uniformly lower than the transaction price, the following steps shall be taken:

(1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

(2) Independent director member of the audit committee shall comply with Article 218 of the Company Act.

- (3) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Our company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. When a public company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

3.3 Memberships or intangible assets or right-of-use assets

3.3.1 Memberships

Price determination shall refer to the list price of such membership and the latest deal price or the price of membership of a similar nature.

3.3.2 Intangible Assets

Price determination shall be based on the benefits or business opportunities that will be brought by such intangible asset to the company after evaluated and refer to similar transactions or the latest deal price.

- 3.3.3 Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage CPAs prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The calculation of the transaction amounts referred to in this paragraph shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

3.4 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law

- 3.4.1 The exchange ratio and acquisition price of such assets shall be determined after considering both parties' net worth, stock prices, long-term profitability, market shares, brands, images, technical capacity, and other factors of operational value.

- 3.4.2 Our company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to

the audit committee and the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by our company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which our company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

3.4.3 Our company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- 3.4.3.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- 3.4.3.2 An action, such as a disposal of major assets, that affects the company's financial operations.
- 3.4.3.3 An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- 3.4.3.4 An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- 3.4.3.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- 3.4.3.6 Other terms conditions that the contract stipulates may be altered and that have been publicly disclosed.

3.5 Where a our company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 4 Operating Procedures

4.1 Implementation unit

- 4.1.1 Long-term and short-term investments of each kind of securities and assets acquired or disposed of in connection with mergers, demergers, or transfer of shares in accordance with law: Department of Finance.
- 4.1.2 Real property, equipment, memberships and patents , copyrights, trademarks, franchise rights, and other intangible assets or Right-of-use assets: Department of General Affairs.

4.2 Degree of authority delegated, the levels to which authority is delegated

4.2.1 When acquiring or disposing each kind of assets, it is handled in accordance with the following hierarchy:

- (1) For those that do not meet the standards for public announcement and report stipulated in these procedures, they shall be determined and proceeded by the chairman as authorized by the board of directors.
- (2) Items that have been included in the company's "Level of Authority" shall be determined and proceeded according to the authorized amount and hierarchy as stipulated.
- (3) Short-term securities acquired or disposed of by the company shall be determined and proceeded by the chairman as authorized by the board of directors.

4.2.2 Our company transactions with related parties shall first meet Article 3.2.3.2 before being handled.

4.2.3 Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be first entrusted to CPAs, attorneys, and securities under writers for their opinions in accordance with Article 3.4.2, and reported to the audit committee and the board of directors for discussions and approval.

4.2.4 Matters prescribed under Article 185 of the Company Act shall be first approved by the audit committee and the board of directors and reported to the shareholders' meeting for approval before being handled.

4.3 Transaction process

4.3.1 All acquisition or disposal of each item of assets shall be first handled by the implementation unit according to the evaluation procedures stipulated in these procedures and transacted according to the authorized amount and hierarchy as stipulated.

4.3.2 Our company acquisition or disposal of assets that shall be approved by the board of directors according to these procedures or other legal provisions, if a director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. If it belongs to major asset transactions or transactions with related parties under Article 3.2.3.2, it shall be first approved by one-half or more of all audit committee members and reported to the board of directors for approval with Articles 10.2 and 10.3 applied *mutatis mutandis*.

4.3.3 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law shall comply with the following stipulations:

4.3.3.1 Our company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a

shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

4.3.3.2 Our company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

Our company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

4.3.3.3 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

4.3.3.4 The contract for participation by our company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

4.3.3.5 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger,

acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

4.3.3.6 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

4.3.3.7 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

4.3.3.8 Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the Articles 4.3.3.6 and 4.3.3.7.

Article 5 Public Announcement and Report Procedures

5.1 Public announcement and report

5.1.1 Standards for determining whether or not to make public announcement

Under any of the following circumstances, our company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated

website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event, When our company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

5.1.1.1 Our company's acquisition or disposal of real estate or its right-of-use assets from or to related parties, or transactions with related parties involving assets other than real estate or its right-of-use assets, with transaction amounts reaching 20% of the company's paid-in capital, 10% of total assets, or more than NT\$300 million.

5.1.1.2 Merger, demerger, acquisition, or transfer of shares.

5.1.1.3 Assets types is where equipment or right-of-use assets thereof for business use, and furthermore the transaction counterparty is not a related party, and Where the transaction amount is NT\$500 million or more.

5.1.1.4 Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.

5.1.1.5 Where an asset transaction other than any of those referred to in the Articles 5.1.1.1~5.1.1.4, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances.

(1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.

(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

5.2 The amount of transactions above shall be calculated as follows, "Within year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

5.2.1 The amount of any individual transaction.

5.2.2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

5.2.3 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same

development project within the preceding year.

5.2.4 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

5.3 Our company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

5.4 Information required to be publicly announced and reported in accordance with the provisions of the 5.1.1 on acquisitions and disposals of assets by our company's subsidiary that is not itself a public company in Taiwan shall be reported by the our company.

5.5 Where any of the following circumstances occurs with respect to a transaction that our company has already publicly announced and reported in accordance with the Article 5.1, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

5.5.1 Change, termination, or rescission of a contract signed in regard to the original transaction.

5.5.2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

5.5.3 Change to the originally publicly announced and reported information.

Article 6 The Company's Limitations on the Amount of Acquisition of Assets

6.1 The company's limitations on the amount of acquisition of assets:

6.1.1 The total amount of real property acquired not for business use shall not exceed 50% of the company's net worth.

6.1.2 The total amount of securities acquired shall not exceed 20% of the company's net worth.

6.1.3 The total amount of a single kind of securities shall not exceed 10% of the company's net worth. Article 7 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

7.1 The company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these procedures.

7.2 If the acquisition and disposal of assets of a subsidiary of the company, which is not a domestic public company, meets the requirement of public announcement and report under Article 5.1.1, the subsidiary shall inform the company to make public announcement and report within 2 days from the date of occurrence of the event.

7.3 If the acquisition and disposal of assets of a subsidiary of the company, which is a domestic public company, meets the requirement of public announcement and report under Article 5.1.1, the subsidiary shall make the public announcement and report by itself.

7.4 The paid-in capital or total assets of to our company shall be the standard applicable to a subsidiary referred to of the Article 5.1.1.3 in determining whether, reaches 20 percent of the

company's paid-in capital or total assets 10 percent, it reaches a threshold requiring public announcement and regulatory.

7.5 Subsidiary's limitations on the amount of acquisition of assets

7.5.1 As an investment professional

7.5.1.1 The total amount of real property and securities acquired not for business use shall not exceed 100% of its net worth.

7.5.1.2 The total amount of a single kind of securities shall not exceed 100% of its net worth.

7.5.2 As a non-investment professional

7.5.2.1 The total amount of real property and securities acquired not for business use shall not exceed 50% of its net worth.

7.5.2.2 The total amount of a single kind of securities shall not exceed 20% of its net worth.

Article 8 Punishment for Violations

The company's acquisition and disposal of assets shall strictly comply with the regulations promulgated by the Financial Supervisory Commission and these procedures. Where there is any violation by the relevant personnel of the implementation unit, causing the company to suffer material damage, or where the situations are severe, the company will impose punishment according to the regulations governing reward and punishment of employees and relevant personnel regulations.

Article 9 Other Important Matters

9.1 Terms used in these procedures are defined as follows:

9.1.1 Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

9.1.2 Related party :

As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9.1.3 Subsidiary:

As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9.1.4 Professional appraiser:

Refers to a real property appraiser or other person duly authorized by law to engage in the

value appraisal of real property or equipment.

9.1.5 Date of occurrence:

Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. If the relevant data can confirm the counterpart and monetary amount of the transaction, although the transaction is not completed or approved by the board of directors, the public announcement shall be still made in accordance with Article 5.1. Afterwards, if the announced contents are changed as listed under Article 5.5, the public announcement and report of material information shall be made again according to the regulation.

9.16 Mainland China area investment:

Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

9.2 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

9.2.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

9.2.2 May not be a related party or de facto related party of any party to the transaction.

9.2.3 If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

(1) Prior to accepting a case, they shall prudently assess their own professional capabilities,

practical experience, and independence.

- (2) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

9.3 For the calculation of 10 percent of total assets under these procedures , the total assets stated in the most recent parent company only financial report or individual financial report prepared under the procedures Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these procedures, 10 percent of equity attributable to owners of the parent shall be substituted

Article 10 Establishment and Amendment

- 10.1 The establishment or amendment of these procedures shall be approved by the audit committee and the board of directors, and reported to the shareholders' meeting for approval. If a director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- 10.2 If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, it may be done if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

10.3

The so-called "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.