

ENNOSTAR Inc. Acquisition or Disposal Procedures of Asset

Article 1 : References

The Acquisition or Disposal Procedures of Asset (hereinafter “the SOP”) is subject to “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Article 2 : Definition of assets

1. Investment in securities (including stocks, government bonds, corporate bonds, financial bonds, depository receipt, call/put warrants, beneficiary securities and asset-based securities etc.)
2. Real estate (including land, houses and buildings and investment property) and equipment.
3. Membership certificates
4. Intangible assets such as patents, copyrights, trademarks, concession and so on.
5. Right-of-use assets.
6. Derivatives
7. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law.
8. Other important assets

Article 3 : Terms are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. 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.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
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.
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.
6. 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
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
9. "Latest Financial Statements" used herein means the financial statements of the Company audited or examined by a certified public accountant which has been disclosed in accordance with applicable regulation before the subject acquisition or disposal of assets.

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations 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 Regulations, 10 percent of equity attributable to owners of the parent shall be substituted ; for the calculation of transaction amounts of 5 percent of paid-in capital under these Regulations, 2.5 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted ; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent shall be substituted.

Any unspecified terms in these Procedures shall be subject to the "Guidelines for Handling Acquisition or Disposal of Assets by Public Companies" announced by

the Financial Supervisory Commission (“FSC”).

Article 4 : Operating Procedures

To conduct any acquisition or disposal of assets, the in-charge division shall submit to the authority division the reason for the proposed acquisition or disposal, the object, the transaction counterparty, the transfer price, the payment terms, and the price reference for their approval in accordance with the Handling Procedures, and then the acquisition or disposal of assets shall be implemented by relevant division.

Article 5 : Evaluation Procedures

1. Before the day of occurrence, any real estate, equipment or right-of-use assets acquired or disposed by the Company with trading value more than 20% of paid-in capital or above NT\$300 million are required to obtain the quotation from professionals except trading with domestic government agency, outsourcing construction projects for self-owned/rented properties, or acquiring/disposing equipment/facilities or right-of-use assets for business use. And the following regulations must be followed:

- (1) Any transaction requiring a limited price, specific or special price as reference for any special reason should be submitted for reviews and approval in advance by the Board of Directors (the “BOD”); the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Except for all of the evaluation results of acquired asset made by the professional appraisers are higher than the transaction amount or all of the evaluation results of disposed asset made by the professional appraisers are lower than the transaction amount. If a professional appraiser comes up with any of the following result, the Company should consult with CPAs and the CPAs should issue definitive comments on the reasons of the difference and reasonability of the transaction price:
 - A. The appraisal result has more than 20% difference from the actual transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (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.

The “professional appraisers” refer to real estate appraiser, or other appraisers permitted by law to conduct appraising for real estate and equipment.

2. Other than publicly quoted prices of securities that have an active market or where otherwise provide by regulations of the Financial Supervisory Commission (FSC), the ENNOSTAR Inc. (hereinafter referred to as "Company") acquiring or disposing securities should receive the most recent audited CPA report/financial statement from the target company as the reference for evaluating trading price before the day of occurrence. Moreover, any trading exceeding 20% of the paid-in capital or above NT\$300 million requires CPAs' comment on the rationality of trading price before the day of occurrence.
3. Before the day of occurrence of the event, any membership certificates, intangible assets or right- of-use assets acquired or disposed by the Company with trading value more than 20% of paid-in capital or above NT\$300 million ,except for the assets which are dealing with a domestic government authority, required to obtain CPAs' opinion on the reasonableness of trading price before the day of occurrence of the event
4. The calculation of the transaction amounts in the first three paragraphs should be proceeded according to the regulations stated in the paragraph 2 of Act. 6, 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.
5. Any acquisition or disposal of assets through mergers, spin-offs, acquisitions or shares transfer by the Company shall comply with the Procedures of Article 9.
6. Any professional appraising company and their appraisers, any accountants, legal consults, or security underwriters that provide the Company with appraisal reports and any party to the transaction shall in comply with the following regulations:
 - (1) No violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, falsification of documents or occupational crimes, been declared of more than one year imprisonment. 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.
 - (2) The counterparty should not be a related party or a party with a

substantive relationship.

- (3) If two or more appraisal report shall be obtained, the different professional valuers or appraisers may not be related to each other or have substantive relationships.
7. When issuing the appraisal report or opinion, the personnel of the preceding paragraph shall comply with the self-regulatory rules of their own industry associations and the following matters:
 - (1) Professional ability, practical experience and independence should carefully assess before undertaking a case.
 - (2) A case should be executed by appropriate operational procedures and should be properly planned and implemented to reach a conclusion for the basis of a report or opinion accordingly; the procedures, data collected and conclusions shall be carried out with details in the working paper of the case.
 - (3) The data source, parameters and information used shall be evaluated item by item for appropriateness and reasonableness as the basis for the issuance of appraisal reports or opinions.
 - (4) The statement shall include the professionalism and independence of the relevant personnel, the information used for evaluation is appropriate and reasonable, and the relevant laws and regulations are followed.
8. Where the 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's comments.

Article 6 :

Procedure of promulgation and declaration

1. The Company is liable to announce and declare on websites appointed by FSC in regulated format within 2 days after the occurrence of any of the following incident (hereinafter "the occurrence date") when acquiring or disposing assets:
 - (1) Obtain or dispose real estate or right-of-use assets from related parties; obtain or dispose the assets not aside from real estate or right-of-use assets with trading value of 20% of the Company's paid-in capital or that of 10% of total asset or more than NT\$300 million; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds which is issued by domestic security investment trust entity.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Acquire or dispose equipment or right-of-use assets which for business use and Trading partner is not related parties, transaction amount is to one

of the following requirements:

- A. The Company paid-in capital is less than NTD Ten (10) billion, the transaction amount is above NTD five hundred (500) million.
 - B. The Company paid-up capital is above NTD Ten (10) billion or more but less than NTD fifty (50) billion, the transaction amount is above NTD one (1) billion.
 - C. The Company paid-up capital is above NTD fifty (50) billion, the transaction amount reaches 5 percent or more of paid-in capital.
- (4) The Company acquires real estate via outsourcing construction on self-owned lands or outsourcing construction on leased lands, or joint construction and separate sales, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is above NTD five-hundred (500) million.
 - (5) In the case of a public company with paid-in capital reaching NT\$50 billion or more, transactions in government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets, which do not fall under any of the circumstances listed in the proviso of subparagraph 6, and where furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of paid-in capital.
 - (6) Other than the above 5 types of transactions or investment in the mainland China area, or any other cases worth more than 20% paid-in capital of the Company or NT\$300 million, the following situations shall not be applicable:
 - A. Trading of domestic government bonds or foreign government bonds whose sovereign credit rating is not lower the one of our country.
 - B. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds which is issued by domestic security investment trust entity.
2. Each of the above-stated transaction value is calculated by any of the following formula:
 - (1) Total of each individual transaction
 - (2) The transaction total of the same person accumulated in one year from acquiring or disposing the same type of targets.
 - (3) The transaction total accumulated in one year from acquiring or disposing (cumulative acquisitions and disposals, respectively) on the same project to develop real estate or right-of-use assets.
 - (4) The transaction total accumulated in one year from acquiring or disposing

(cumulative acquisitions and disposals, respectively) the same security.

3. Within one year as used in the preceding paragraph refers to the year preceding the base date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not to be entered.
4. After declaring transactions based on regulation that the Company is required to announce and declare on websites appointed by FSC in regulated format within 2 days from the date on which known for the occurrence of any of the following incident (hereinafter “the occurrence date”)
 - (1) Any change/termination/cancellation of the contracts related to the original transaction contract.
 - (2) Any merger, demerger, acquisition, or transfer of shares is not completed by the due date subject to the contract.
 - (3) Any changes in the announced content.
If there is any mistake or omission in the required announced items and the correction is required, the Company shall make public announcement of all required items again within two days commencing from the day when the Company knows such mistake or omission
5. The above-stated “the occurrence date” stated in first Paragraph of this Article, in principle, refers to the contract signature date of transactions, payment date, engaged transaction date, transmission date, resolution date of the BOD, or the date confirming other transaction counterparties or transaction price, whichever occurs first. However, for the investments requiring regulators’ approval, “the occurrence date” refers to any of the above dates or the date receiving regulator’s approval, whichever happens first.

Article 7 :

Related parties trading

1. When acquisition or disposal of real estate occurs between the Company and related parties, the Company should not only follow the rules of Article 5 and this Article on related resolution procedures and evaluating the reasonability of transaction conditions but also may provide the appraisal report made by professional appraiser or CPA’s comments as stated in Article 5 when the transaction amount is over 10% of the Company’s total asset. The calculation of the transaction amount shall be made in accordance with Article 5, paragraph (4) herein.
2. When acquisition or disposal of real estate and right-of-use assets occurs between the Company and related parties or the transaction amount of trading the assets aside from real estate or right-of-use assets is reaches 20% or more of the Company’s paid-in capital, 10% or more of total asset, or more than NT\$300 million, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds which is issued by domestic security investment trust

entity, the Company may not proceed to enter into a transaction contract and make a payment until the following matters have been approved by the audit committee and the board of directors:

- (1) The purpose, necessity and estimated effectiveness of such acquisition or disposal of assets.
 - (2) The reason(s) of choosing this related party for such transaction.
 - (3) Acquiring real estate or right-of-use assets from related parties, related data on evaluating the estimated transaction condition in accordance with Paragraph (6), Paragraph (7), and Paragraph (8) of this Article.
 - (4) The original acquisition date and price of the related party, the relationship between the counterparty and its company and related party etc.
 - (5) An estimate table of cash revenue/expenditure for the following 12 months after the estimate contract date, and evaluation on the necessity of the transaction and reasonability of capital utilization.
 - (6) The appraisal report made by the professional appraiser or CPA's comments as stated in the previous paragraph.
 - (7) The limitations of this transaction and other important agreements.
3. If the Company and its subsidiaries or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital engaged in the following transactions with each other is under NTD1,000 million, the chairman is authorized to determine the execution and then submitted to the board meeting to have it approved.
 - (1) Obtain or dispose of equipment for business use or its right-of-use assets.
 - (2) Acquiring or disposing of the real estate right-of-use assets for business use.
 4. If the Company or the Company's subsidiary whose shares have not been domestic publicly issued has any transaction related to the paragraph (2) described whose amount reaches 10 percent or more of the Company's total asset, the Company should submit the relevant information to the shareholders meeting and gain the approval before entering into a transaction contract and making any payment. However, this restriction shall not apply to the transaction within the Company, the subsidiaries or its subsidiaries.
 5. The calculation for the transaction amount of the paragraph (2) and aforementioned item shall abide by the paragraph 2 of Article 6. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly submitted to shareholders meeting, approved by the auditor committee and the Board of Directors need not be counted toward the transaction amount.
 6. The Company shall evaluate the reasonability of transaction cost when acquiring real estate or right-of-use assets from related parties with the

following methods and retain a certified public accountant to (i) check the reasonableness of the transaction costs made by the Company and (ii) issue the specific opinion thereon:

- (1) Other than the original transaction price, add all necessary interest incurred from the capital and costs liable for the buyer pursuant to related laws. The “necessary interest cost of funding” is based on the weighted average interest rate of the loan for assets procured of the same year. However, it should not exceed the highest interest rate among financial institutes promulgated by Ministry of Finance.
- (2) If any related has pledged a mortgage to any financial institute with the target asset, the financial institutes should have evaluated a total value of the target against the loan. However, the loan-to-value decided by the financial institute should be more than 70% and the loan period must exceed more than one year. Nonetheless, this rule does not apply to the case when any of the financial institute or transaction counterparty is the related party.

When purchasing or leasing the lands and houses of the same target together with other parties, the Company should follow any of the above-stated methodologies to calculate the value of the lands and houses.

7. Under any of the following circumstances, acquisition of real property or right-of-use assets thereof from related party shall be conducted in accordance with Paragraph (2) of this Article, and Paragraph (6) of this Article shall not apply.
 - (1) The real estate or right-of-use assets was inherited or given to the related party.
 - (2) The acquisition of the real estate or right-of-use assets (by contract) by the related party has exceeded more than 5 years of the contract date of the transaction.
 - (3) The real estate was acquired from signing a joint construction contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4) The Company and its subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire the real estate right-of-use assets for business use.

8. When the results of the Company's appraisal conducted in accordance with paragraph (6) are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph (9). 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:

- A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring 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 the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

The above stated "transactions in the same neighborhood", in principle, refers to the area within 500 meters in the same, or adjacent, streets/roads, or any similar case based on publicly announced current value. The "similar areas," in principle, refer to more than 50% of the areas of the transaction targets with non-related parties. The "one year" refers to 12 months prior to the de facto date of acquiring the real estate or right-of-use assets this time.

9. When the evaluation result of the Company based on paragraph (6), paragraph (7) and paragraph (8) for acquiring real estate or right-of-use assets from related parties is lower than the transaction price, the Company should comply with the following:
- (1) Pursuant to Paragraph 1 Article 41 of Securities & Exchange Act, the Company should reserve a special earned surplus for the difference between the transaction price and assessed cost of real estate or right-of-use assets. The Company should not distribute or reallocate the amount to recapitalization stocks. If the public company follows Equity Method for investments, the one should also reserve special earned surplus proportionally based on the regulation in Paragraph 1 Article 41 of

Securities & Exchange Act.

- (2) The Auditor Committee should comply with the regulations in Article 218 of Company Act.
- (3) The Company should submit the follow-up status of Subparagraph 1 and 2 to Shareholders' Meeting and disclose the details of transactions in the Annual Report and Prospectus.

The Company shall provide a special surplus reserve in accordance with the provisions of the preceding paragraph. The assets purchased or leased at a high price shall be recognized as a loss or disposed or termination of the lease or may be properly compensated or reinstated, or there is other evidence provided with no unreasonable situations, and with the consent of the FSC, the special surplus reserve shall be utilized.

The 2 rules of the preceding two subparagraphs should be applicable when other evidence proving abnormal transactions is discovered when acquiring real estate or right-of-use assets from related parties.

Article 8 : Conducting the Derivative Transaction

The Company shall conduct derivative transactions in accordance with the "Handling Procedures for Conducting Derivative Transactions."

Article 9 : Corporate mergers, demergers, acquisitions, and transfer of shares

1. For any corporate merger, demerger, acquisition, or transfer of shares, the Company should engage accountants, lawyers or security underwriters to comment on the rationality on the proportion of equity swap, transaction price, cash dividend to the shareholders or other properties before BOD meeting. And these comments should be submitted to the BOD for discussion and approval. But the Company mergers the subsidiary which issued shares or capital is directly or indirectly 100% be held by the Company, or mergers between subsidiaries which the Company separately holds 100% issued shares or capital, the provision above do not apply.
2. Prior to any merger, demerger, or acquisition that the Company participates, the Company should include the important content of the agreement and related items in a document, along with afore-stated professional comments and meeting notice, and distribute to the shareholders before the convention of Shareholders' Meeting. This information will be the reference for shareholders on whether or not they would agree on the merger, demerger or acquisition. Unless otherwise stated in other laws, the mergers, demergers, or acquisitions of the Company requires the approval of the shareholders in Shareholders' Meeting. In the case of failed convention of Shareholders' Meeting as a result of insufficient number of attendants, insufficient voting rights or other legal restrictions for the Shareholders' Meeting of any party involved with the

merger, demerger, or acquisition, or the resolution/proposal related to the merger, demerger, or acquisition is denied by shareholders, both parties should immediately make announcement to the public and explain the reasons, follow-up process, and estimated date of the next Shareholders' Meeting.

3. Unless otherwise indicated in other laws or any special reasons requiring pre-approval by the FSC, the Company should convene the BOD meeting and Shareholders' Meeting on the same day with the company participating the mergers, demergers, or acquisition to decide related matters of such mergers, demergers, or acquisition.

Unless otherwise indicated in other laws or any special reasons requiring pre-approval by the FSC, the Company should convene the BOD meeting and Shareholders' Meeting on the same day with the company participating the transfer of shares.

4. The Company and all the other participants or people informed of the plan of merger, demerger, acquisition, or transfer of shares should provide confidentiality agreement. Before releasing any message, they should not disclose the content of the plan to anyone. Nor should they subscribe to/sell the stocks of all the related companies in the merger, spin-off, acquisition or transfer of shares, or other equity-related securities in their own or others' names.
5. When the Company participates in a merger, demerger, acquisition, or transfer of shares, except for the following situations, the percentage of equity swap or acquisition price should not change without a reasonable rationale (and the changes should be noted in related contracts):
 - (1) Capital injection by cash, issuance of convertible corporate bonds, non-payment dividends, issuance of equity warrant bonds, equity warrant special shares, equity warrants and other equity-related securities.
 - (2) Any disposing of assets imposing major impacts to the Company's financial status.
 - (3) Any major disaster or great revolution of technologies that heavily impacts the equities or securities' price of the shareholders.
 - (4) Any of the companies participating in the merger, demerger, acquisition, or transfer of shares purchase treasury stock.
 - (5) The entity of the companies participating in the merger, demerger, acquisition, or transfer of shares or the number of branch areas has changed.
 - (6) Other conditions pursuant to changes in the contract and disclosed to the public.
6. When the Company participates in a merger, demerger, acquisition, or transfer of shares, the related contract should specify the rights and obligations of the

Company and the following:

- (1) Handling of contract breaking.
- (2) Handling principles for issued equity-related securities or purchased treasury stock from the merged or demerged companies.
- (3) Handling principles of purchasing treasury stocks (and the number of such acquisition) after equity swap date by the participating company.
- (4) Handling methods for any changes of the participating entity or number of business areas.
- (5) Estimate execution progress and complete dates.
- (6) Handling procedures of an estimate Shareholders' Meeting in case the project fails to meet the deadline of completion.
7. If any party participating the merger, demerger, acquisition, or transfer of shares plans to conduct another merger, demerger, acquisition, or transfer of shares after disclosing the information for the transaction, unless 1) the number of participating entities reduces and the Shareholders' Meeting has concluded to authorize to the BOD on changing delegations, or 2) the Shareholder's Meeting has concluded the participating company is exempt from convening another Shareholder's Meeting for another resolution; the completed procedures or legal acts in the transaction should be repeated by all the participating companies.
8. The Company should retain the following information in a complete written form for 5 years in case of future inspection when participating any merger, spin-off, acquisition or transfer of shares:
 - (1) Basic profile of people: Including the titles, names, ID numbers (or passport numbers for foreigners) of everyone participating or executing the mergers, demergers, acquisitions, or transfer of shares prior to the announcement of such news.
 - (2) Important dates: Including the dates of signing the letter of intent or MOU, engagement for financial or legal consultants, signing the contracts, and BOD meeting.
 - (3) Important documents and meeting notes: Including the plan of mergers, demergers, acquisitions, or transfer of shares, letter of intent or MOU, important contracts and meeting notes of BOD meetings etc.
9. In the case of participating mergers, demergers, acquisitions, or transfer of shares, The Company should upload the information stated in Subparagraphs 1 and 2 within 2 days after the occurrence date of the BOD approving the resolution to the internet system in regulated format for FSC's future review.
10. If the company participating in the Company's merger, demerger, acquisition,

or transfer of shares is not a listed/OTC Company, the Company should sign an agreement with the company and process according to the stipulation in foresaid Paragraphs (8) and Paragraphs (9).

11. If any participating company in the merger, demerger, acquisition or transfer of shares is a not a public company, the Company should sign an agreement with the non-public company pursuant to Paragraphs 3, 4,7 and 8 of this Article.

Article 10 : Total amounts of real property and right-of-use assets thereof or securities acquired by the Company for the purpose rather than business use, and limits on individual securities shown in the Attachment, namely, “Authorization Schedule for Acquisition or Disposal of Assets and the Limits on Securities Investment”.

Article 11 : Procedure to control acquisition or disposal of assets by subsidiaries

1. The Company’s subsidiary shall adopt in compliance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adopt and implement the procedures for the acquisition or disposal of assets after consulting with the Company’s opinions. The same shall apply to amendments to such Handling Procedures.
2. The Company shall supervise its subsidiaries to check whether the subsidiary’s own handling procedures for acquisition or disposal of assets” are in compliance with the relevant law and regulations or not and whether the subsidiary acquires and disposes the assets in accordance with such subsidiary’s own handling procedures for acquisition and disposal of assets. The auditing unit of the Company shall incorporate acquisition and disposal of assets by subsidiaries in the scope of auditing and audit periodically and aperiodically . Review and check the examination reports produced by itself.
3. Information required to be publicly announced and reported in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
4. In the declaration requirements of the company's subsidiaries subject to the sentence “paid-in capital or total asset of the Company” refers to the paid-in capital or total asset of the Company.

Article 12 : Penalty
If any manager or person in-charge of the acquisition or disposal of assets violates the Handling Procedures or “Regulations Governing the Acquisition and Disposal

of Assets by Public Companies” and causes serious damages to the Company shall be handled in accordance with the internal policy on performance review and reward/penalty.

If any execution staff related to the Company violates the above-stated SOP or handling principles, he or she should follow the internal policy on performance review and reward/penalty.

Article
13 :

Enactment of or amendment to the Handling Procedures shall be approved by a majority of all members of the Audit Committee and further submitted to the board of directors for resolution. If enactment of or amendment to the Handling Procedures is not approved by a majority of all members of the Audit Committee, alternatively, such may be approved by two-thirds of all directors, provided that in such case, the resolutions adopted by the Audit Committee shall be recorded in the minutes of the meeting of the board of directors. If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors. The Handling Procedures shall be approved by the board of directors and further submitted to the shareholders meeting for approval and will become effective afterwards. The same shall apply to amendments to the Handling Procedures. “All members of the Audit Committee” referred to in the Handling Procedures and “all directors” referred to in the preceding paragraph shall mean the actual number of the committee members/directors.

Article
14 :

The Handling Procedures were enacted at the promoters' meeting on August 7, 2020.

The 1st amendment was made on August 11, 2021.

The 2nd amendment was made on May 31, 2022.

The 3rd amendment was made on May 24, 2024.

The 4th amendment was made on May 26, 2026.

Appendix

Authorization Schedule for Acquisition or Disposal of Assets and the Limits on Securities Investment

unit : NTD

Asset Item	Approver	Authority	Aggregate Investment Limit	Individual Investment Limit
Real property or right-of-use assets thereof not for business use	Board of Director		10% of the equity	
Equity investment in 100% held subsidiaries	Board of Director Chairman	≥ 300 millions < 300 millions	150% of the equity	150% of the equity
Strategic equity investment	Board of Director Chairman	≥ 300 millions < 300 millions	150% of the equity	50% of the equity
Long-term investment in secured bonds	Board of Director Chairman	≥ 300 millions < 300 millions	20% of the equity	10% of the equity
Long-term investment in unsecured bonds	Board of Director Chairman (Note 1)	≥ 300 millions < 300 millions	10% of the equity	5% of the equity
Other securities	Board of Director Chairman	≥ 300 millions < 300 millions	150% of the equity	50% of the equity
Short-term securities (note 2)	Head of Finance		150% of the equity	50% of the equity

Note 1 :

For investments in long-term unsecured bonds issued by the government or banks, an amount of up to 300 million may be approved by the Chairman. Investments in all other long-term unsecured bonds, regardless of amount, shall require approval by the Board of Directors.

Note 2 :

The purpose of short-term security is for Short-term fund transfer, it includes buy/sell short-term notes, repo/resell bounds or Bond funds.

Explanation :

1. The "equity" means the equity attributable to stockholders of the Company on the balance sheet.
2. The "subsidiaries" means the subsidiaries include in the Company's consolidated financial statement.
3. Short term investment in bonds should not expand the effect on profit by leverage through hypothecation, guarantee or any means.