ITH Corporation

Procedures for Acquisition or Disposal of Assets

Article 1 To strengthen the asset management of ITH Corporation (hereinafter referred to as the "Company") and its subsidiaries as defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "Subsidiaries"), and to implement information transparency, these Procedures (hereinafter referred to as "these Procedures") are hereby established.

Article 2 These Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the "Regulations") promulgated by the Financial Supervisory Commission (FSC).

Article 3 The acquisition or disposal of assets by the Company shall be handled in accordance with these Procedures. However, if other laws and regulations provide otherwise, such provisions shall prevail.

Article 4 The term "assets" as used in these Procedures applies to the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and inventories of construction enterprises) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 5 Terms used in these Procedures 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. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. 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.
9. 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.

Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

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

transaction.

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.

Article 7 The limits on the Company’s investment in real property and right-of-use assets thereof not for business use and in securities are as follows:

1. The total amount of investment in real property and right-of-use assets thereof not for business use shall not exceed 10 percent of the total assets shown in the Company’s most recent financial statements audited or reviewed by a certified public accountant.
2. The total amount of investment in securities shall not exceed 40 percent of the total assets shown in the Company’s most recent financial statements audited or reviewed by a certified public accountant.
3. The amount of investment in any individual security shall not exceed 10

percent of the total assets shown in the Company's most recent financial statements audited or reviewed by a certified public accountant.

When a subsidiary intends to invest in real property and right-of-use assets thereof not for business use or in securities, it shall obtain the approval of the Chairman of the Company. The investment limits for each subsidiary shall be calculated based on the total assets of each such subsidiary.

Article 8 Where the Company has established an Audit Committee, any material transaction involving assets or derivatives shall be approved by a majority of all Audit Committee members and submitted to the Board of Directors for a resolution. If any Director expresses an objection and such objection is recorded or stated in writing, the Company shall also forward the data of the Director's objection to the Audit Committee.

If the transaction referred to in the preceding paragraph is not approved by a majority of all Audit Committee members, it may be implemented 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.

When the Board of Directors discusses a transaction, it shall take into full consideration each Independent Director's opinions. If an Independent Director expresses an objection or reservation, it shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" in paragraph 1 and "all Directors" in paragraph 2 shall be counted as the actual number of persons currently holding those positions.

Article 9 Procedures for Acquisition or Disposal of Real Property, Equipment, or Right-of-use Assets:

1. Evaluation and Operating Procedures:

   The acquisition or disposal of property, equipment, or right-of-use assets thereof shall be handled in accordance with these Procedures and relevant regulations.

2. Procedures for Determining Transaction Conditions and Authorization Limits:

   (1) Acquisition or disposal of real property: The transaction conditions and

price shall be determined with reference to the publicly announced current value, appraised value, and actual transaction prices of neighboring real property. An analysis report shall be submitted to the Chairman. If the amount is NT$100 million or less, it shall be approved by the Chairman; if the amount exceeds NT$100 million, it shall be submitted to the Board of Directors for approval before execution.

(2) Acquisition or disposal of equipment: Shall be conducted through price inquiry, price comparison, price negotiation, or bidding. If the amount is NT $50 million or less, it shall be submitted to the General Manager for approval; for amounts exceeding NT$ 50 million and up to NT $100 million (inclusive), it shall be submitted to the Chairman for approval; for amounts exceeding NT$ 100 million, it shall further be submitted to the Board of Directors for approval before execution.

(3) Acquisition or disposal of right-of-use assets of real property or equipment: If the amount is NT$50 million or less, it shall be submitted to the General Manager for approval; for amounts exceeding NT$50 million and up to NT$100 million (inclusive), it shall be submitted to the Chairman for approval; for amounts exceeding NT$100 million, the transaction terms and price shall be determined with reference to the current announced land value, the appraised value, or the actual transaction prices of neighboring real property, and an analysis report shall be prepared and submitted to the Board of Directors for approval before execution.

(4) When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, the responsible departments shall conduct a review and evaluation, and execution shall follow the aforementioned authorization limits after obtaining approval.

(5) When a subsidiary acquires or disposes of real property, equipment, or right-of-use assets thereof, the responsible departments shall conduct a review and evaluation, and execution shall follow the internal authorization limits after obtaining approval.

3. 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 from a professional appraiser prior to the date of occurrence of the event and shall comply with the following provisions:
   (1) Where a limited price, specified price, or special price is used as the basis for the transaction price due to special reasons, the transaction shall be submitted to the Board of Directors for a resolution in advance; the same applies to any subsequent changes to the transaction conditions.
   (2) Where the transaction amount is NT$1 billion or more, appraisal reports from two or more professional appraisers shall be obtained.
   (3) Where any of the following circumstances applies to the professional appraiser's appraisal results, the Company shall engage a certified public accountant (CPA) to render a specific opinion on the reason for the discrepancy and the fairness of the transaction price, unless the appraisal results of the assets to be acquired are all higher than the transaction amount, or the appraisal results of the assets to be disposed of are all lower than the transaction amount:
      a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the 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 three months may elapse between the date of the appraisal report issued by a professional appraiser and the relevant contract date; provided that where the same publicly announced current value for the same period applies and no more than six months have

elapsed, an opinion may instead be issued by the original professional appraiser.

(5) For the Company's subsidiaries, the "paid-in capital" mentioned in this paragraph shall refer to the subsidiary's own paid-in capital.

4. The calculation of the transaction amounts shall be handled in accordance with Article 16, Paragraph 1, Item 8 hereof. "Within one 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 in accordance with these Procedures need not be counted.

Article 10 Procedures for Acquisition or Disposal of Securities

1. Evaluation and Operating Procedures

   The purchase and sale of securities by the Company shall be handled in accordance with these Procedures and relevant regulations.

2. Procedures for Determining Transaction Conditions and Authorization Limits:

   (1) Trading of securities on a centralized securities exchange market or at a securities business office (over-the-counter): Such transactions shall be determined by the Finance and Accounting Department based on market conditions and the Company's fundamental financial data. If the amount is NT$100 million or less, it shall be decided by the General Manager; if the amount exceeds NT$100 million but is less than NT$200 million, it shall be approved by the Chairman; if the amount exceeds NT$200 million, it shall be submitted to the Board of Directors for approval before execution.

   (2) Trading of securities not on a centralized securities exchange market or at a securities business office: The Company shall, prior to the date of occurrence of the event, obtain the most recent financial statements of the target company, audited or reviewed by a CPA, as a reference for evaluating the transaction price. Consideration shall be given to the net value per share, profitability, and future development potential. If the amount is NT$100 million or less, it shall be decided by the General Manager; if the amount exceeds NT$100 million but is less than

NT$200 million, it shall be approved by the Chairman; if the amount exceeds NT$200 million, it shall be submitted to the Board of Directors for approval before execution.

(3) When the Company acquires or disposes of securities, the Finance and Accounting Department shall conduct a review and evaluation, and execution shall follow the aforementioned authorization limits after obtaining approval.

(4) When a subsidiary acquires or disposes of securities, its finance and accounting department shall conduct a review and evaluation, and execution shall follow its internal authorization limits after obtaining approval.

3. In acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain the most recent financial statements of the target company, audited or reviewed by a CPA, as a reference for evaluating the transaction price. Furthermore, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of occurrence of the event. However, this requirement does not apply if the securities have a publicly quoted price in an active market or where otherwise provided by the FSC.

   For the Company's subsidiaries, the "paid-in capital" mentioned in this paragraph shall refer to the subsidiary's own paid-in capital.

4. The calculation of the transaction amounts shall be handled in accordance with Article 16, Paragraph 1, Item 8 hereof. "Within one 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 in accordance with these Procedures need not be counted.

Article 11 Procedures for Related Party Transactions

1. Evaluation and Operating Procedures

(1) When the Company acquires or disposes of assets from or to a related party, in addition to complying with the relevant resolution procedures

and evaluating the reasonableness of the transaction conditions in accordance with Articles 9, 10, this Article, and Article 12, where 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 accordance with Articles 9 and 10.

For the Company's subsidiaries, the "paid-in capital" and "total assets" mentioned in this paragraph shall refer to the subsidiary's own paid-in capital and total assets.

(2) When judging whether a transaction counterparty is a related party, in addition to legal forms, substance shall also be considered.

(3) When the Company intends to acquire or dispose of real property or right-of-use assets thereof 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 total assets, or NT$300 million or more, except in the 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 a majority of all Audit Committee members and submitted to the Board of Directors for a resolution. The provisions of Article 8, Paragraphs 2 to 4 shall also apply. For the Company's subsidiaries, the "paid-in capital" and "total assets" mentioned in this paragraph shall refer to the subsidiary's own paid-in capital and total assets.

a. The objective, necessity, and anticipated benefit of the acquisition or disposal of assets.

b. The reasons for choosing the related party as a transaction counterparty.

c. Information relevant to evaluating the reasonableness of the proposed transaction conditions in accordance with Item 1 through 5 and Item 9 of Paragraph 2 of this Article.

d. The date and price at which the related party originally acquired the assets, the relevant counterparty, and its relationship to the Company and the related party.

e. Monthly cash flow forecasts for the coming 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.

f. An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with regulations.

g. Restrictive covenants and other important stipulations associated with the transaction.

(4) The calculation of the transaction amounts shall be handled in accordance with Article 16, Paragraph 1, Item 8 hereof. "Within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and resolved by the shareholders' meeting or the Board of Directors in accordance with these Procedures need not be counted.

(5) With respect to the acquisition or disposal of equipment or right-of-use assets thereof held for business use, or real property right-of-use assets held for business use, between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, if the amount is NT$100 million or less, it shall be approved by the Chairman and subsequently reported to the most recent Board of Directors meeting for ratification; if the amount exceeds NT$100 million, it shall be submitted to the Board of Directors for approval before execution. Subsidiaries shall execute the transaction after obtaining approval in accordance with internal authorization limits.

(6) Where the Company or its subsidiary that is not a domestic public company has a transaction referred to in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit the information listed in each item of Paragraph 1, Item 3 to the shareholders' meeting for approval before entering into a transaction contract or making a payment. However, this does not apply to transactions between the Company and its subsidiaries, or between its subsidiaries.

2. Evaluation of the Reasonableness of Transaction Costs

When the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods:

(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be borne by the buyer according to law. "Necessary interest on funding" is imputed based on the weighted average interest rate on borrowing by the Company in the year the assets were purchased; however, it may not exceed the maximum non-financial industry lending rate announced by the Ministry of Finance.

(2) Total loan value appraised by a financial institution where the related party has previously used the property as collateral for a loan from such financial institution, provided that the cumulative net amount of actually disbursed loans 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 for which the loan has been granted shall have been one 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 on that land are combined as a single property purchased or leased, the transaction costs may be separately evaluated for the land and the structures based on either of the methods

described in the preceding items.

(4) When the Company acquires real property or right-of-use assets thereof from a related party and evaluates the cost of the real property or right-of-use assets in accordance with Items (1) through (3) of Paragraph 2 of this Article, it shall also engage a CPA to check the evaluation and render a specific opinion.

(5) Where the results of the Company's evaluation conducted in accordance with Items (1) through (3) of Paragraph 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance with Items (6) through (8) of Paragraph 2 of this Article. However, where the following circumstances exist, and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:

a. Where the related party acquired undeveloped land or leased land for development and can submit proof of compliance with one of the following conditions:

(a) Where undeveloped land is evaluated in accordance with the methods described in the preceding items, and structures are evaluated according to the related party's construction cost plus reasonable construction profit, and the aggregate amount of both exceeds the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction department over the most recent three years or the gross profit margin for the construction industry for the most recent period 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 property, where the land area is similar and the transaction conditions are equivalent after evaluation in accordance with standard real property market practices for floor or area price differences.

b. Where the Company submits evidence showing that the transaction conditions for the real property or right-of-use assets thereof acquired from a related party are equivalent to the conditions of completed transactions by unrelated parties involving similar land area in the neighboring area within the preceding year. "Neighboring area" shall refer to property on the same or an adjacent block and within a distance of no more than 500 meters from the transaction property or property with a similar publicly announced current value. "Similar land area" shall refer to transactions involving an area not less than 50 percent of the area of the transaction property. "Within the preceding year" refers to the year preceding the date of occurrence of the current acquisition of real property or right-of-use assets thereof.

(6) Where the results of the Company's evaluation conducted in accordance with Items (1) through (5) and Item (9) of Paragraph 2 of this Article are uniformly lower than the transaction price, the Company shall handle the following matters:

a. The Company shall set aside a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the evaluated cost, and may not distribute it or capitalize it for issuance of bonus shares. Where an investor which evaluates the Company's investment using the equity method is a public company, such investor shall also set aside a special reserve in proportion to its shareholding in the Company in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.

b. The Audit Committee of the Company shall handle the matter in accordance with Article 218 of the Company Act.

c. The Company shall report the handling of the circumstances described in Items (6)a and (6)b of Paragraph 2 of this Article to a shareholders' meeting and shall disclose the details of the transaction in the annual report and any prospectuses.

(7) Where the Company has set aside a special reserve in accordance with the preceding regulations, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets purchased or leased at a high price, or they have been disposed of, or the lease 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.

(8) When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with Items (6) and (7) of Paragraph 2 of this Article if there is other evidence indicating that the transaction was not an arm's length transaction.

(9) When the Company acquires real property or right-of-use assets thereof from a related party, it shall handle the matter in accordance with the evaluation and operating procedures of Paragraph 1 of this Article, and the provisions of Paragraph 2 of this Article regarding evaluation of the reasonableness of transaction costs shall not apply, under any of the following circumstances:

a. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

b. More than five 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.

c. The real property is acquired through signing a joint development contract with a related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.

d. The real property right-of-use assets held for business use are acquired by the Company and its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 12 Procedures for Acquisition or Disposal of Intangible Assets, Right-of-use Assets Thereof, or Membership Certificates

1. Evaluation and Operating Procedures

   The Company's acquisition or disposal of intangible assets, right-of-use assets thereof, or membership certificates shall be handled in accordance with these Procedures and relevant regulations.

2. Procedures for Determining Transaction Conditions and Authorization Limits:

   (1) **Acquisition or disposal of membership certificates:** The transaction conditions and price shall be determined with reference to the fair market price. An analysis report shall be submitted to the Chairman. If the amount is NT$100 million or less, it shall be approved by the Chairman; if the amount exceeds NT$100 million, it shall be submitted to the Board of Directors for approval before execution.

   (2) **Acquisition or disposal of intangible assets:** If the amount is NT$50 million or less, it shall be submitted to the General Manager for approval; for amounts exceeding NT$50 million and up to NT$100 million (inclusive), it shall be submitted to the Chairman for approval; for amounts exceeding NT$100 million, the transaction terms and price shall be determined by conducting an internal evaluation or with reference to the fair market value, and an analysis report shall be prepared and submitted to the Board of Directors for approval before execution.

   (3) When acquiring or disposing of membership certificates or intangible assets, the relevant responsible departments and the finance and accounting department shall conduct a review and evaluation, and execution shall follow the aforementioned authorization limits after

obtaining approval.

(4) When a subsidiary acquires or disposes of membership certificates or intangible assets, its finance and accounting department shall conduct a review and evaluation, and execution shall follow its internal authorization limits after obtaining approval.

(5) Where the transaction amount of the acquisition or disposal of membership certificates or intangible assets reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence of the event.

(6) The calculation of the transaction amounts shall be handled in accordance with Article 16, Paragraph 1, Item 8 hereof. "Within one 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 in accordance with these Procedures need not be counted.

(7) For the Company's subsidiaries, "paid-in capital" shall refer to the subsidiary's own paid-in capital.

Article 13 Procedures for Acquisition or Disposal of Assets through Court Auction

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documents issued by the court may be used to substitute for the appraisal report or the CPA's opinion.

Article 14 Procedures for Acquisition or Disposal of Derivatives

The acquisition or disposal of derivatives shall be handled in accordance with the Company’s "Procedures for Engaging in Derivative Transactions."

Article 15 Procedures for Merger, Demerger, Acquisition, or Transfer of Shares

1. Evaluation and Operating Procedures

(1) When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, prior to the Board of Directors' resolution, engage a CPA, attorney, or securities underwriter to provide an opinion on the

reasonableness of the share exchange ratio, acquisition price, or cash or other property distributed to shareholders. This opinion shall be submitted to the Board of Directors for discussion and approval. However, the requirement to obtain a reasonableness opinion from the aforementioned experts may be exempted in the case of a merger between the Company and its subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, or a merger between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(2) Prior to the shareholders' meeting, the Company shall prepare a public document for shareholders setting forth important contractual content and relevant matters regarding the merger, demerger, or acquisition. This document, together with the expert opinion referred to in Item (1) of Paragraph 1 of this Article and the notice of the shareholders' meeting, shall be delivered to the shareholders as a reference for deciding whether to approve the merger, demerger, or acquisition. However, this requirement shall not apply where a resolution by the shareholders' meeting is not required by other laws. Furthermore, if the shareholders' meeting of any company participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to a lack of a quorum, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the companies participating shall immediately issue a public explanation of the reasons, subsequent handling procedures, and the anticipated date of the next shareholders' meeting.

2. Other Matters for Attention

(1) A 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 otherwise provided by other laws or there are exceptional circumstances that have been reported to the FSC in advance

for consent.

(2) A company participating in a transfer of shares shall convene a board of directors meeting on the day of the transaction, unless otherwise provided by other laws or there are exceptional circumstances that have been reported to the FSC in advance for consent.

(3) When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a complete written record of the following information and retain it for five years for check:

   a. Basic personnel information: Including the job titles, names, and national identity card numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of the plan for a merger, demerger, acquisition, or transfer of shares prior to the public disclosure of the information.

   b. Dates of material events: Including the dates of signing a letter of intent or memorandum of understanding, engaging a financial or legal advisor, signing a contract, and board of directors meetings.

   c. Material documents and minutes: Including the plan for merger, demerger, acquisition, or transfer of shares, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

(4) When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall, within two days counting inclusively from the date of passage of a resolution by the board of directors, report the information set out in Sub-items (a) and (b) of the preceding item in the prescribed format via the Internet-based information system to the FSC for record.

(5) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and handle the matter in accordance with Items (3) and (4) of this Paragraph.

(6) All persons participating in or having knowledge of the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and, prior to the public disclosure of the information, may not disclose the content of the plan to any other person, and may not trade, in their own name or under the name of another person, in any stock or other equity-type security of any company related to the merger, demerger, acquisition, or transfer of shares.

(7) When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price except under the following circumstances, and shall stipulate the circumstances permitting such alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

   a. Issuance of shares for cash capital increase, issuance of convertible bonds, issuance of bonus shares, issuance of bonds with warrants, preferred shares with warrants, stock warrants, and other equity-type securities.
   b. An action, such as a disposal of major assets, that affects the Company’s financial operations.
   c. An event, such as a major disaster or major change in technology, that affects shareholders' equity or share price.
   d. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares buys back treasury stock.
   e. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
   f. Other terms/circumstances that the contract stipulates may be altered and that have been publicly disclosed.

(8) The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the participating companies, and shall also record the following:

a. Handling of breach of contract.

b. 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 is demerged.

c. The amount of treasury stock participating companies are entitled under the law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

d. The manner of handling an increase or decrease in the number of participating entities or companies.

e. Anticipated progress of plan implementation and anticipated completion date.

f. Scheduled date for convening the legally required shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

(9) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares intends to further carry out a merger, demerger, acquisition, or transfer of shares with another company after the information has been publicly disclosed, the participating companies shall carry out anew the procedures or legal actions that had already been completed for the original merger, demerger, acquisition, or transfer of shares; except where the number of participating companies is decreased and a shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating companies may be exempted from calling a new shareholders' meeting to resolve the matter anew.

(10) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with such company and shall handle the matter in accordance with the provisions of Item (1) through Item (6) and Item (9) of Paragraph 2 of this Article.

Article 16 Information Disclosure and Procedures for Public Announcement and Reporting of

Material Information

1. When acquiring or disposing of assets, the Company shall, in the prescribed format and based on the nature of the transaction, report the relevant information on the website designated by the FSC within two days counting inclusively from the date of occurrence of the event, provided that the transaction amount meets any of the following thresholds:
   (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of total assets, or NT$300 million or more. (Excluding trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription/redemption of money market funds).
   (2) Merger, demerger, acquisition, or transfer of shares.
   (3) Losses from derivative transactions reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
   (4) Where equipment or right-of-use assets thereof held for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following thresholds:
      a. Where the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
      b. Where the Company's paid-in capital is NT$10 billion or more but less than NT$50 billion, the transaction amount reaches NT$1 billion or more.
      c. Where the Company's paid-in capital is NT$50 billion or more, the transaction amount reaches 5 percent or more of its paid-in capital.
   (5) Where the Company is engaged in the construction business and acquires or disposes of real property or right-of-use assets thereof held

for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million or more. Among such transactions, where the Company’s paid-in capital reaches NT$10 billion or more and it disposes of real property from a completed construction project it built itself, and the transaction counterparty is not a related party, the threshold shall be a transaction amount of NT$1 billion or more.

(6) Where real property is acquired by way of engaging others to build on the Company's own land, engaging others to build on rented land, joint development and allocation of housing units, joint development and allocation of ownership percentages, or joint development 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 or more.

(7) Where the Company’s paid-in capital is NT$50 billion or more, and the Company trades government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds) on a stock exchange or at a securities business office, which do not fall under the circumstances in any of the items of the proviso to Item 8, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of its paid-in capital.

(8) Asset transactions other than those referred to in the preceding seven items, or disposal of receivables by a financial institution, or investment in the mainland China area, where the transaction amount reaches 20 percent or more of the Company’s paid-in capital or NT$300 million or more; provided, this shall not apply to the following circumstances:

a. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of the Republic of China (Taiwan).

b. Trading of securities on a stock exchange or at a securities business office by a professional investor, or subscription in the primary market of foreign government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds), or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange-traded notes (ETN), or securities acquired by a securities firm as required by its underwriting business or as a lead/recommending broker for an Emerging Stock company in accordance with the regulations of the Taipei Exchange.

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

(9) The calculation of the transaction amounts shall be handled in the following manners. "Within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already publicly disclosed in accordance with these Procedures need not be counted:

a. The amount of each individual transaction.

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

c. The cumulative transaction amount of acquisitions and disposals (accumulated separately for acquisitions and disposals) of real property or right-of-use assets thereof within the same development project within one year.

d. The cumulative transaction amount of acquisitions and disposals (accumulated separately for acquisitions and disposals) of the same security within one year.

2. Procedures for Public Announcement and Reporting

(1) The Company shall report the relevant information on the website

designated by the FSC.

(2) The Company shall, by the 10th day of each month, enter the information regarding derivative transactions of the Company and its subsidiaries that are not domestic public companies as of the end of the previous month into the information reporting website designated by the FSC in the prescribed format.

(3) When any item required to be publicly disclosed contains any error or omission at the time of disclosure and is required to be corrected, the Company shall again publicly disclose and report the entire content within two days counting inclusively from the date of knowing such error or omission.

(4) When acquiring or disposing of assets, the Company shall keep all relevant contracts, minutes, log books, appraisal reports, and opinions of CPAs, attorneys, or securities underwriters at the Company's headquarters, where they shall be retained for at least five years except where otherwise provided by other laws.

(5) After the Company has publicly disclosed and reported a transaction in accordance with this Article, should any of the following circumstances occur, the Company shall report the relevant information on the website designated by the FSC within two days counting inclusively from the date of occurrence of the event:

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

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

c. Change to the originally publicly disclosed and reported information.

Article 17 The Company's subsidiaries shall handle matters in accordance with the following provisions:

1. The Company's subsidiaries shall adopt these Procedures for the acquisition or disposal of assets.

2. The Company’s subsidiaries shall, by the 5th day of each month, submit a written summary of all acquisitions or disposals of assets during the previous month to the Company.
3. Where a subsidiary of the Company is not a domestic public company, if its acquisition or disposal of assets reaches the thresholds for public disclosure and reporting as stipulated in Article 16, the Company shall perform the public disclosure and reporting on its behalf.

Regarding the provisions on "paid-in capital" or "total assets" in the public disclosure and reporting thresholds in Article 16, Paragraph 1, the paid-in capital or total assets of the Company shall be the standard for the aforementioned subsidiaries.

Article 18 The provisions in these Procedures regarding "10 percent of total assets" shall be calculated based on the total asset amount in the most recent parent-company-only financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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; for the calculation of transaction amounts of "5 percent of paid-in capital," "2.5 percent of equity attributable to owners of the parent" shall be substituted; for the requirement of paid-in capital of NT$10 billion, "equity attributable to owners of the parent of NT$20 billion" shall be substituted; and for the requirement of paid-in capital of NT$50 billion, "equity attributable to owners of the parent of NT$100 billion" shall be substituted.

Article 19 Employees of the Company who handle the acquisition or disposal of assets in violation of these Procedures shall be reported for periodic performance evaluation in accordance with the Company’s Personnel Management Regulations and Employee Handbook, and shall be penalized according to the severity of the circumstances.

Article 20 Implementation and Amendment

After these Procedures have been approved by the Board of Directors, they shall be submitted to the shareholders' meeting for approval; the same applies to any amendments.

Where the Company has established an Audit Committee, when the Company adopts or amends these Procedures, the matter shall be approved by a majority of all Audit Committee members and submitted to the Board of Directors for a resolution, and then submitted to the shareholders' meeting for approval. If a director expresses an objection and there is a record or written statement of the objection, the Company shall also submit the director's objection material to the Audit Committee. When these Procedures are submitted to the Board of Directors for discussion in accordance with the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director has an objection or reservation, it shall be recorded in the minutes of the Board of Directors meeting.

If approval by a majority of all Audit Committee members is not obtained, the Procedures may be approved by two-thirds or more of all directors and submitted to the shareholders' meeting for approval, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" in this Article shall be counted as the actual number of persons currently holding those positions

Should there be any changes in the laws and regulations of the Republic of China (Taiwan) regarding the matters set forth in these Procedures, such newly amended laws and regulations shall supersede the relevant provisions in these Procedures, and the Audit Committee and the Board of Directors shall amend these Procedures based on such newly amended laws and regulations and report such amendments to the shareholders' meeting for approval.

These Procedures were adopted on November 15, 2023.

First amendment approved by the shareholders' meeting on June 18, 2026.