

Procedure for Acquisition or Disposal of Assets

Amended on June 23, 2022

- Article 1 All acquisitions or disposals of assets by the Company shall be conducted in accordance with the provisions of this procedure. Any matters not covered by these procedures shall be handled in accordance with relevant laws and regulations.
- Article 2 The terms used in this procedure are subject to the definitions in Article 4 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations).
- Article 3 The term assets in this procedure refer to
- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - II. Real property (including land, houses and buildings, investment real property, and construction enterprise inventory) and equipment.
 - III. Memberships.
 - IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - V. Right-of-use assets.
 - VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - VII. Derivatives.
 - VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - IX. Other major assets.
- Article 4 The Company engages in derivative commodity transactions in accordance with the provisions of the Company's "Procedures for Financial Derivatives Transactions".
- Article 5 Evaluation Procedure for Acquisition or Disposal of Assets
- I. Acquisition or disposal of securities:
When the Company makes an acquisition of securities or a disposition of securities, it shall first obtain the financial statements of the issuing company for the most recent period, audited and attested or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price. If the amount of the transaction is 20% or more of the Company's paid-in capital, NTD 300 million or more, it shall also request a CPA to provide an opinion on the reasonableness of the transaction price. But this requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
 - II. Acquisition or disposal of real property, equipment, or right-of-use thereof:
 - (I) Except for transactions with domestic government agencies, self-constructed land leasing, or the acquisition or disposal of equipment or usage rights for business purposes, if the transaction amount reaches 20% of the paid-in capital or NTD 300 million or more, a valuation report issued by a qualified appraiser must be obtained prior to the occurrence of the transaction and must comply with the relevant provisions of Article 9 of the Regulations.
 - (II) When using a special price as a reference for the transaction price, it must first be approved by a resolution of the Board of Directors. If the transaction amount reaches NTD 1 billion or more, two or more professional appraisers must be engaged for valuation. If the difference between the valuation results and the transaction amount exceeds 20% of the transaction amount, or if the differences among the valuations from two or more appraisers exceed 10% of the transaction amount, a CPA must be requested to provide specific opinions on the reasons for the discrepancies and the appropriateness of the transaction price. The date of the valuation report and the date of the contract formation must not

exceed three months.

III. Related party transactions

- (I) When acquiring or disposing of assets with related parties, in addition to complying with the provisions of Paragraphs 1 and 2 of Article 5, if the transaction amount exceeds 10% of the Company's total assets, a report from a professional appraiser or an opinion from a CPA must also be obtained.
- (II) When acquiring real property or its usage rights from related parties, except for the situations specified in Article 15 of the Regulations, the transaction costs should be assessed according to the methods outlined in Articles 16 and 17 of the Regulations. Additionally, a CPA should be engaged to review and provide a specific opinion on the reasonableness of the transaction costs. In determining whether the transaction counterparty is a related party, consideration should not only be given to its legal form but also to the substantive relationship:
 - 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets thereof to the signing date for the current transaction.
 - 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - 4. The real property right-of-use assets for business use are acquired by listed companies with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

IV. Acquisition or disposal of intangible assets or right-of-use assets thereof, or memberships:

If the amount of the transaction reaches 20% of the Company's paid-in capital or NTD 300 million or more, except for transactions with domestic government agencies, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

V. Merger, demerger, acquisition, or transfer of shares:

Before a board meeting is held to pass a resolution, accountants, attorneys or securities underwriters shall be hired to provide opinions about the reasonableness of the share conversion ratio, purchase price, or distribution of cash or other properties among the shareholders, for submission to the Board of Directors for discussion and approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

VI. Others:

- (I) When the Company acquires an appraisal report or an opinion from a CPA, attorney, or securities underwriter, such professional appraiser and its appraising personnel, the CPA, attorney, or securities underwriter shall comply with the following provisions:
 - 1. Shall not have been convicted of violating the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act, or crimes such as fraud, breach of trust, embezzlement, forgery of documents, or business-related criminal acts with a confirmed sentence of imprisonment for more than one year. However, this restriction does not apply if three years have passed since the completion of the sentence, the expiration of the probation period, or a pardon.
 - 2. The professional shall not be a related party to the transaction counterpart or have a substantive relationship with them.
 - 3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different appraisers or appraisers' personnel shall not be related parties to each other or have any substantive relationship.

The personnel mentioned in the preceding paragraph, when issuing an appraisal report or opinion, shall comply with the self-regulatory guidelines of their respective professional associations and handle the following matters:

- 1. Before accepting a case, they should carefully assess their professional capabilities, practical experience, and independence.

2. When executing a case, they shall properly plan and carry out appropriate procedures to form conclusions, based on which reports or opinions are issued. The procedures executed, data collected, and conclusions reached shall be accurately recorded in the case's working papers.
 3. The sources of data, parameters, and information used should be evaluated individually for their appropriateness and reasonableness to serve as the basis for issuing the appraisal report or opinion.
 4. The declaration should include that the relevant personnel possess professionalism and independence, have assessed the information used as appropriate and reasonable, and have complied with relevant laws and regulations.
- (II) 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 opinion.
 - (III) The calculation of the transaction amount mentioned in the preceding paragraph shall be conducted in accordance with the provisions of Article 7, retroactively calculated for one year; however, the portion for which a professional appraisal report or CPA's opinion has already been obtained shall be excluded from this calculation.

Article 6 Procedures for Acquisition or Disposal of Assets

- I. Acquisition or disposal of securities:
 - (I) The acquisition or disposal of long-term securities investments shall be proposed by the execution unit with an evaluation report submitted for approval by the Chairman before implementation. If the transaction amount reaches 20% of the paid-in capital or NTD 300 million or more, it shall be submitted to the Board of Directors for approval before implementation.
 - (II) The acquisition or disposition of short-term securities investments shall be evaluated by the execution unit and processed for approval in accordance with the limits set forth in Article 9, following the Company's "Authority Division Table".
- II. Acquisition or disposal of real property, equipment, or right-of-use thereof:

The relevant department or authority shall process approval step by step according to the Company's "Authority Division Table". Except for transactions with domestic government agencies, self-construction of land, leasing of land for construction, or acquisition or disposal of equipment or rights to be used for business, if the transaction amount reaches 20% of the paid-in capital or NTD 300 million or more, the valuation shall be handled in accordance with the provisions of Article 5, Paragraph 2(1) of this procedure. The relevant information shall be submitted to the Board of Directors for approval. However, the Board of Directors may authorize the Chairman to handle it and report back for confirmation afterward.
- III. Related party transactions
 - (I) When acquiring or disposing of real property or rights to use assets from related parties, or acquiring or disposing of other assets or rights-of-use assets from related parties with a transaction amount reaching 20% of the Company's paid-in capital, 10% of total assets, or NTD 300 million or more, except for the purchase of domestic government bonds, bonds with repurchase and sell-back conditions, and the subscription or repurchase of domestic securities investment trust companies' money market funds, the information required by Article 15 of the Regulations (such as purpose, necessity, and estimated benefits) shall be submitted to the Audit Committee and approved by the Board of Directors before the transaction contract is signed and payment is made. Additionally, when acquiring real property or its rights from related parties, and the assessment of transaction costs is required according to Article 5, Paragraph 3(2) of this procedure, if the assessed cost is lower than the transaction price, the relevant matters shall be handled in accordance with Article 18 of the Regulations.

If the Company or a subsidiary that is not a domestic publicly listed company engages in any of the aforementioned transactions, and the transaction amount reaches 10% or more of the Company's total assets, the relevant details of the transaction must be submitted to the Company's shareholders' meeting for approval before signing the transaction contract and making payment. However, this excludes transactions between the Company and subsidiaries, or between subsidiaries.
 - (II) The calculation of the transaction amount in the preceding paragraph shall be conducted in accordance with the provisions of Article 7, with a retrospective application of one year. However, portions that have been submitted to and approved by the shareholders' meeting, Board of Directors, and Audit Committee shall not be included again.

- (III) The Company engages in the following transactions with its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or capital:

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

The Board of Directors may authorize the Chairman to proceed with transactions within a certain limit, which shall be reported to the most recent board meeting for ratification afterward.

IV. Acquisition or disposal of memberships or intangible assets:

The business, legal, or other relevant departments shall submit the transaction for approval in accordance with the Company's division of responsibilities. If the transaction amount reaches NTD 300 million or more, the relevant materials shall be submitted to the Board of Directors for resolution. However, the board may authorize the Chairman to handle the matter, which shall be reported to the board for ratification afterward.

V. Merger, demerger, acquisition, or transfer of shares:

(I) Convening of Board of Directors and Shareholders' Meetings

1. The project responsible department designated by the Chairman shall submit the relevant materials to the Board of Directors for resolution in accordance with the provisions of Article 5, Subparagraph 5 of this procedure before convening the board meeting. Additionally, a public document to shareholders shall be prepared before the shareholders' meeting, which includes expert opinions and the notice of the shareholders' meeting. This document shall be sent to shareholders as a reference for whether to agree to the merger, demergers, or acquisition proposal. However, this requirement does not apply if other legal provisions allow for the merger, demerger, or acquisition to proceed without a shareholders' meeting resolution.
2. Unless otherwise provided by law or with prior approval from the Financial Supervisory Commission, when participating in a merger, demerger, or acquisition, the Board of Directors and shareholders' meetings of all participating companies shall be held on the same day to resolve matters related to the merger, demergers, or acquisition. In the case of share transfers among participants, the Board of Directors shall also meet on the same day.
3. If any participating company's shareholders' meeting for a merger, demerger, or acquisition cannot be convened, resolved, or if the motion is rejected, the Company shall immediately disclose the reasons for the occurrence, the follow-up handling procedures, and the anticipated date of the shareholders' meeting.

(II) Conversion ratio or acquisition price

The conversion ratio or acquisition price for participating in a merger, demerger, acquisition, or share transfer shall not be arbitrarily changed, except in cases provided for in Article 27 of the Regulations.

(III) Items to be stated in the contract

In the event of participating in a merger, demerger, acquisition, or share transfer, the contract shall specify the rights and obligations of the participating companies, the circumstances under which the conversion ratio or acquisition price may be changed, and the items that must be stated in accordance with Article 28 of the Regulations.

(IV) Other matters to be noted

1. Require participants or those who are aware to provide a written confidentiality commitment, stating that before the information is made public, they shall not disclose the contents of the plan to external parties, nor shall they buy or sell the stocks and other equity securities of the relevant companies in their own name or through others.
2. After the information is made public, if there is a plan to engage in mergers, demergers, acquisitions, or share transfers with other companies again, except when the number of participating companies decreases and the shareholders' meeting has resolved and authorized the Board of Directors to change the authority, the original procedures or legal actions that have been completed in the case should be redone.
3. If any company participating in the merger, demerger, acquisition, or share transfer is not a publicly listed company, the Company shall sign an agreement with it and proceed in accordance with the provisions of this Subparagraphs (1)2, (4)1, and (4)2.
4. The Company shall prepare complete written records of the following information for participation in merger, demerger, acquisition, or share transfer cases, and shall retain

them for five years for auditing purposes. Furthermore, within two days from the date of the Board of Directors' resolution, the following information specified in Subparagraphs 1 and 2 shall be reported to the securities competent authority in accordance with the prescribed format through the internet information system for record-keeping.

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

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded at a securities firm's business premises, the Company shall sign an agreement with such company and handle the matter in accordance with the aforementioned provisions.

Article 7 When the Company acquires or disposes of assets under the following circumstances, it shall, according to their nature and in the prescribed format, announce and report the relevant information on the designated website within two days from the date of occurrence of the event:

- I. When acquiring or disposing of real property or its right-of-use from or to a related party, or acquiring or disposing of other assets or their right-of-use from or to a related party, if the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NTD 300 million or more, this requirement does not apply to the purchase or sale of domestic government bonds, bonds with repurchase or sell-back conditions, or the subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. When acquiring or disposing of assets that are equipment or right-of-use for business purposes, and the transaction counterparty is not a related party, if the transaction amount reaches NTD 500 million or more.
- IV. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NTD 500 million.
- V. Where an asset transaction other than any of those referred to in the preceding four Subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NTD 300 million. However, this does not apply to the following circumstances:
 - (I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (II) Where the Company specializes in the investment profession, any securities traded through domestic or overseas exchanges or securities firms, or foreign government bonds or ordinary corporate bonds and general financial debentures without equity attributes (excluding subordinated bonds) subscribed in the primary market, or subscription or redemption of securities investment trusts or futures trust funds, or subscription or redemption of index investment securities, or securities subscribed by a securities firm as part of its underwriting needs, or securities subscribed by a securities firm serving as a sponsor for Emerging Stock Market companies in accordance with the regulations of the Taipei Exchange.
 - (III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The transaction amount referred to in the preceding paragraph shall be calculated as follows, with the disclosure standards for subsidiaries being based on the paid-in capital or total assets of the public company (according to the most recent parent company only or individual financial

statements):

1. Amount of each transaction.
2. Cumulative amount of similar assets acquired from or disposed of to the same counterparty in the past one year.
3. Cumulative amount of the same development project thereof acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.
4. Cumulative amount of the same securities acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.

The term "within one year" in the preceding paragraph refers to a period calculated retroactively from the date of occurrence of the current transaction. However, transactions that have already been disclosed in accordance with this procedure are not included.

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

After the Company has announced and reported a transaction in accordance with regulations, if any of the following circumstances occur, the relevant information shall be announced and reported within two days from the date of the occurrence, in accordance with the applicable regulations:

- (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
- (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- (3) Change to the originally publicly announced and reported information.

Article 8 Preservation of Information:

The relevant contracts, meeting minutes, filed documents, appraisal reports, and opinions from accountants, attorneys, or securities underwriters related to the Company's acquisition or disposal of assets shall be kept by the Company for five years.

Article 9 The total amount of real property and its right-of-use not intended for business operations, as well as investments in individual securities acquired by the Company, shall not exceed 250% of the Company's paid-in capital. The limit for acquiring individual securities shall not exceed 100% of the Company's paid-in capital.

Article 10 Procedures for controlling the acquisition or disposal of assets by subsidiaries:

- I. When any subsidiary of the Company acquires or disposes of assets, it shall establish procedures in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, submit the procedures for approval by its Board of Directors, and implement them after obtaining the approval of its shareholders' meeting.
- II. If a subsidiary of the Company that is not a domestic public company acquires or disposes of assets and is required to make an announcement and report under Article 7, the Company shall handle the announcement and reporting on behalf of the subsidiary.
- III. For the announcement and reporting standards applicable to the subsidiary in the preceding paragraph, concerning paid-in capital or total assets, the paid-in capital or total assets of the Company shall be used as the standard.
- IV. The Company's subsidiaries, when acquiring or disposing of assets, shall regularly provide relevant information to the Company for auditing.

Article 11 Penalty:

Relevant personnel who violate this procedure shall be dealt with according to the Company's personnel management regulations and reward and punishment measures.

Article 12 This procedure shall be implemented after obtaining the approval of more than half of all members of the Audit Committee, submitting it to the Board of Directors for resolution, and obtaining approval from the shareholders' meeting. The same applies to amendments. If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the procedure 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.