

Fortune Information Systems Corp.

Regulations Governing the Acquisition and Disposal of Assets

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Article 1: To establish operational norms and standards for the acquisition or disposal of assets by the Company (including the Company and its subsidiaries), this procedure is hereby formulated. This procedure is developed in accordance with Article 36-1 of the Securities Exchange Act and the "Guidelines for Handling the Acquisition or Disposal of Assets by Publicly Traded Companies."

Article 2: Scope of Assets

1. Marketable Securities: Including stocks, bonds, corporate bonds, financial securities, mutual fund units, depositary receipts, warrants, beneficiary certificates, and asset-backed securities, among other investments.
2. Real Estate (including land, buildings, and investment properties) and equipment.
3. Membership certificates.
4. Intangible Assets: Patents, copyrights, trademarks, franchises, and other intangible assets.
5. Right of Use Assets.
6. Claims on Financial Institutions (including receivables, bills of exchange, loans, and collections).
7. Derivative Instruments.
8. Assets acquired or disposed of through mergers, divisions, acquisitions, or stock transfers in compliance with legal requirements.
9. Other significant assets.

Article 3: Definitions

1. Derivative Instruments: Refers to forward contracts, option contracts, futures contracts, margin contracts, swap contracts, combinations of the aforementioned contracts, or composite contracts embedded with derivative instruments, whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sales) contracts.
2. Assets acquired or disposed of through mergers, divisions, acquisitions, or stock transfers in compliance with legal requirements: Refers to assets acquired or disposed of through mergers, divisions, acquisitions, or stock transfers conducted in accordance with the Company Merger and Acquisition Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other applicable laws, or through the issuance of new shares in accordance with Article 156, paragraph 3 of the Company Act, which is commonly known as a stock transfer.
3. Related Parties, Subsidiaries: To be determined as per the regulations set out in the Financial Reporting Guidelines for Securities Issuers.

4. Professional Appraisers: Refers to real estate appraisers or other individuals authorized by law to engage in real estate and equipment appraisal services.
5. Date of the Occurrence of Facts: Refers to the date of the transaction contract, payment date, trade date, transfer date, board resolution date, or any other date preceding the actual transaction date and transaction amount determination date. However, for investors requiring approval from the competent authority, the earlier of the aforementioned dates or the date of receiving approval from the competent authority shall apply.
6. Mainland China Investment: Refers to investments in Mainland China conducted in accordance with the Regulations Governing Permission for Investment or Technical Cooperation in Mainland China by the Investment Review Committee of the Ministry of Economic Affairs.
7. The term "most recent financial statements" refers to the financial statements audited and verified by a certified public accountant or reviewed in accordance with the law, which were publicly disclosed by the Company before the acquisition or disposition of assets.
8. In relation to the requirement of total assets as a percentage of 10% mentioned in this procedure, the most recent individual or separate financial statements of the issuer of securities, as defined in the Financial Reporting Guidelines for Securities Issuers, will be used to calculate the total asset amount.
9. Securities Exchange: Refers to domestic securities exchanges, such as the Taiwan Stock Exchange Corporation; foreign securities exchanges refer to any organized securities trading market subject to regulation by the relevant securities authority in that country.
10. Securities Business Locations: Domestic securities business locations refer to locations where securities firms establish counters for trading according to the Regulations Governing the Operation of Securities Business Places of Securities Firms; foreign securities business locations refer to places of business operated by financial institutions that are regulated by foreign securities authorities and are allowed to engage in securities business.

Article 4: Investment Limits for Non-Operating Real Estate or Right of Use Assets and Marketable Securities

1. The limits for the Company to individually acquire the aforementioned assets are as follows:

- (1) Investment in non-operating real estate or right of use assets is limited to 100% of the Company's paid-up capital.
- (2) The total investment in marketable securities is limited to 100% of the Company's paid-up capital, and the total investment in individual marketable securities classified as liquid is limited to 10% of the Company's paid-up capital.

2. The limits for each subsidiary to individually acquire the aforementioned assets are as follows:

- (1) Investment in non-operating real estate or right of use assets is limited to 100% of the respective subsidiary's paid-up capital.
- (2) The total investment in marketable securities is limited to 10% of the Company's paid-up capital, and the total investment in individual marketable securities classified as liquid is limited to 50% of the respective subsidiary's net worth.

Article 5: The appraisal report or opinions from accountants, lawyers, or securities underwriters obtained by the Company shall adhere to the following criteria for the professional appraisers, their appraisers, accountants, lawyers, or securities underwriters involved:

1. They have not been sentenced to imprisonment for one year or more, with a sentence declaration that has become final, for violations of this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related criminal activities. However, those who have completed their sentences, whose probationary periods have expired, or who have been granted amnesty for more than three years shall not be subject to this restriction.
2. They shall not be related parties or have a substantial relationship with the parties involved in the transaction.
3. The Company, when required to obtain appraisal reports from two or more professional appraisers, shall ensure that

different professional appraisers or appraisers are not related parties or have a substantial relationship with each other. The individuals mentioned in the preceding paragraph shall adhere to the self-regulatory rules of their respective industry associations and handle the following matters when issuing appraisal reports or opinions:

1. Prior to accepting a case, they shall carefully evaluate their own professional competence, practical experience, and independence.
2. When executing a case, they shall properly plan and execute appropriate work procedures to form conclusions and provide reports or opinions. They shall record the procedures performed, data collected, and conclusions in detail in the case's work papers.
3. They shall evaluate the appropriateness and reasonableness of each data source, parameter, and information used as a basis for issuing appraisal reports or opinions.
4. Statements shall include matters such as the qualifications and independence of relevant individuals, the evaluation of the appropriateness and reasonableness of the information used, and compliance with relevant laws and regulations.

Article 6: When assets are acquired or disposed of through a court auction procedure, a certification document issued by the court may be used as a substitute for an appraisal report or the opinions of accountants, lawyers, or securities underwriters.

Article 7: When the Company acquires or disposes of assets and requires approval from the Audit Committee according to this procedure or other legal regulations, it shall submit the matter for approval by the Board of Directors. If any directors express objections, such objections shall be recorded in the minutes of the Board of Directors meeting.

Article 8: Procedures for the Acquisition or Disposal of Marketable Securities:

1. Assessment Procedures

(1) When acquiring or disposing of marketable securities, the responsible department should assess whether the intended acquisition serves the Company's interests. The assessment should consider factors such as the purpose, subject matter, counterparty, transfer price, payment conditions, references (e.g., earnings per share, profitability, future growth potential, and market interest rates), and future benefits to the Company, as well as their impact on the Company's development, operational needs, and financial planning.

(2) Pricing Method and References

(2.1) When acquiring or disposing of marketable securities that are traded on a centralized market or at securities business locations, the transaction price shall be determined based on the prevailing stock or bond prices at the time.

(2.2) When acquiring or disposing of marketable securities that are not traded on a centralized market or at securities business locations, the basis for determining the transaction price and the transaction conditions should be submitted for approval by the Chairman.

2. Operational Procedures:

(1) Authorization Levels

(1.1) Acquiring or disposing of marketable securities must be completed after the assessment procedures are done and presented to the Board of Directors for approval. However, for transactions with an amount not exceeding NTD 10 million, the Chairman's approval is sufficient.

(1.2) In cases where marketable securities are of a liquid nature and acquired or disposed of as part of routine financial adjustments, with a transaction period not exceeding one month and a transaction amount not exceeding NTD 10 million, the Financial Officer is authorized to execute the transaction. For transactions that do not meet these conditions, approval from the Chairman is required.

(1.3) In cases where the acquisition or disposal of assets requires a resolution, acknowledgment, or reporting to the shareholders' meeting as stipulated by the Company Act or other legal regulations, such procedures should be

followed.

(2) Executing Unit:

The Financial Department is responsible for the execution of marketable securities investments.

- (3) Marketable securities investments shall be reasonably valued in accordance with current accounting principles. Certificates for various marketable securities shall be recorded, registered, and stored in central custody or deposited in safes by the Financial Department.

3. Obtaining Accountant's Opinions:

When acquiring or disposing of marketable securities, the Company should obtain the most recent financial statements of the subject company, which have been audited or reviewed by a certified public accountant, before the occurrence date. In addition, for transactions with an amount exceeding 20% of the Company's paid-up capital or over NTD 300 million, an accountant should be consulted to express an opinion on the reasonableness of the transaction price. However, this requirement does not apply to marketable securities that meet any of the following conditions:

- (1) Marketable securities acquired through cash contributions for the establishment or capital increase of companies as required by law, with rights proportional to the cash contributions.
- (2) Marketable securities issued at face value for cash through the cash capital increase of companies in which the Company has subscribed or participated.
- (3) Marketable securities acquired through cash capital increase issued by companies in which the Company has subscribed 100% of the shares or by wholly-owned subsidiaries participating in the cash capital increase.
- (4) Listed, OTC, or GreTai market securities traded on stock exchanges or securities business locations.
- (5) Domestic bonds with repurchase and reverse repurchase conditions.
- (6) Publicly offered mutual funds.
- (7) Acquiring or disposing of shares of listed or OTC companies through the Public Offering or Auction Procedures as stipulated by the Taiwan Stock Exchange Corporation or the Taiwan Depository & Clearing Corporation.
- (8) Subscribing to the cash capital increase or purchasing corporate bonds (including financial bonds) in domestic public offering companies, provided that the acquired marketable securities are not privately placed securities.
- (9) Subscribing to domestic private placement funds, or purchasing and redeeming domestic private placement funds, with the trust agreement indicating that, apart from credit securities transactions and related open positions in derivatives and other related products, the remaining investment scope is the same as that of publicly offered funds, as stipulated in Article 11, paragraph 1, of the Securities Investment Trust and Consulting Act.

Article 9: Procedures for the Acquisition or Disposal of Real Estate, Equipment, or Rights of Use Assets

1. Assessment Procedures, Pricing Determination Methods, and Reference Basis

- (1) For the acquisition or disposal of real estate or rights of use assets, the General Affairs Department shall consider the fair market value, actual transaction prices of adjacent real estate or rights of use assets, etc., and after obtaining quotations, negotiations, or conducting tenders, decide on the transaction terms and prices. An analytical report should be prepared and submitted to the Chairman for approval.
- (2) For the acquisition or disposal of equipment or rights of use assets, the requesting department should follow the provisions of the Company's internal control system for real estate, plant, and equipment cycles. After approval in accordance with the Company's authorization limits, the documents should be submitted to the relevant authority to execute the purchase as per the procurement management regulations.

2. Operational Procedures:

(1) Authorization Levels

- (1.1) When an asset acquisition subject to this procedure requires public disclosure and reporting, and it is valued by a professional appraisal organization, a professional appraisal report (the format of which should follow the "Guidelines for the Handling of Asset Acquisitions or Disposals by Public Issuing Companies") should be obtained before the transaction date and should be presented to the Board of Directors for execution.

- (1.2) For asset acquisitions that require resolutions, approvals, or reporting to the shareholders' meeting as stipulated by the Company Act or other legal regulations, such procedures should be followed.
- (2) Executing Unit:
The operating departments, the Finance Department, and related responsible units are responsible for the execution of real estate, equipment, or rights of use assets.
- (3) Obtaining Appraisal or Analytical Reports
Except for transactions with the government agencies, land leases, and the acquisition or disposal of equipment or rights of use assets for operational use, when the transaction amount reaches 20% of the Company's paid-up capital or exceeds NTD 300 million, a professional appraisal report should be obtained before the occurrence date. The appraisal report should be prepared by professional appraisers, and it should comply with the announced format as per the "Guidelines for the Handling of Asset Acquisitions or Disposals by Public Issuing Companies." The following conditions should also be met:
- (3.1) When specific prices or special prices are required as a reference for the transaction price due to special circumstances, the transaction should first be approved by the Board of Directors. If there are changes in future transaction terms, the above procedures should also be followed.
- (3.2) When the transaction amount reaches over NTD 1 billion, two or more professional appraisers should be consulted.
- (3.3) If the appraisal result of professional appraisers has one of the following circumstances, except when the appraisal results for acquiring assets are consistently higher than the transaction amount, or for disposing of assets, the appraisal results are consistently lower than the transaction amount, an accountant should be consulted to provide specific opinions on the reasons for the differences and the reasonableness of the transaction price:
- (A) The difference between the appraisal result and the transaction amount exceeds 20% of the transaction amount.
- (B) The difference between the appraisal results of two or more professional appraisers is over 10% of the transaction amount.
- (3.4) The appraisal report should be issued within three months from the date of the contract. If it applies to the same period's fair market value and does not exceed six months, an opinion letter from the original professional appraiser may be obtained.
- (4) The General Affairs Department should periodically review the book value of fixed assets for each piece of real estate and equipment. They should ensure that it falls within the insurance coverage and make timely adjustments to the insurance coverage.
- (5) After acquiring assets, they should be registered, managed, and used in accordance with the Company's "Regulations for Managing Real Estate, Plant, Equipment, and Investment Properties."

Article 10: Procedures for Related Party Transactions

1. When the Company acquires or disposes of assets with related parties, in addition to following the relevant resolution procedures and assessing the reasonableness of the transaction terms as stipulated in Articles 8 and 9, if the transaction amount exceeds ten percent of the total assets of the Company, a valuation report issued by a professional appraiser or an opinion from an accountant, as stipulated in the preceding article, should also be obtained. Furthermore, in determining whether the counterparty is a related party, attention should be paid not only to its legal form but also to its substantive relationship.
2. Evaluation and Operating Procedures
When the Company acquires or disposes of real estate or its usage rights assets from related parties or engages in transactions involving other assets with related parties, and the transaction amount reaches twenty percent of the Company's paid-in capital, ten percent of total assets, or exceeds NT\$300 million, except for the purchase and sale of domestic bonds, bonds with repurchase and resale conditions, and the subscription or repurchase of money market funds issued by domestic securities investment trust companies, the following information shall be submitted for approval by the Audit Committee and the Board of Directors before signing the transaction contract and making payments:

- (1) The purpose, necessity, and expected benefits of acquiring or disposing of the assets.
- (2) The reasons for selecting related parties as transaction counterparts.
- (3) Relevant information for assessing the reasonableness of the anticipated transaction conditions when acquiring real estate or its usage rights assets from related parties, as stipulated in the third subparagraph of this article.
- (4) Details regarding the original acquisition date and price, the transaction counterpart, and the relationship between the Company and related parties.
- (5) Cash flow forecasts for each month in the coming year starting from the contract month, as well as an evaluation of the necessity and reasonableness of fund utilization in the transaction.
- (6) A valuation report from a professional appraiser obtained as stipulated in the preceding paragraph, or an opinion from an accountant.
- (7) Restrictive conditions and other important agreements related to the transaction.

The calculation of the transaction amount in this article shall be conducted in accordance with the provisions of Article 15, paragraph 1, subparagraph 8, and the one-year period referred to herein shall be calculated based on the factual occurrence date of this transaction, looking back one year, and no re-inclusion shall be made if the provisions of this article have been approved by the Audit Committee, the Board of Directors, and the shareholders' meeting.

When the Company and its subsidiaries, or subsidiaries holding one hundred percent of the issued shares or total capital of the Company directly or indirectly engage in the following transactions, the Chairman is authorized to make decisions within the limit of NT\$10 million and report for subsequent confirmation at the most recent Board of Directors meeting:

- (1) Acquisition or disposal of equipment or its usage rights assets for business use.
- (2) Acquisition or disposal of real estate usage rights assets for business use.

Furthermore, if the Company has appointed independent directors, when submitting asset acquisition or disposal transactions for discussion at the Board of Directors meeting as stipulated in the first paragraph, due consideration shall be given to the opinions of each independent director. If any independent director holds dissenting or reserved opinions, these shall be recorded in the minutes of the Board of Directors meeting.

As stipulated in the first paragraph, the approval of more than half of the members of the Audit Committee and a resolution from the Board of Directors shall be required, and the provisions of Article 7 shall apply accordingly.

If the Company or its subsidiaries, which are not domestic public offering companies, engage in the second paragraph's transactions, and the transaction amount reaches ten percent of the Company's total assets, the Company shall submit the information listed in the second paragraph for approval by the shareholders' meeting before signing the transaction contract and making payments, except when the transactions are conducted between the Company and its parent company, subsidiaries, or subsidiaries among themselves.

3. Assessment of Transaction Costs' Reasonableness

- (1) When the Company acquires real estate or its usage rights assets from related parties, the reasonableness of the transaction costs shall be assessed by the following methods:

- (A) The transaction price with related parties plus necessary interest on funds and costs borne by the buyer in accordance with the law. The necessary interest cost on funds shall be calculated based on the weighted average interest rate of the funds borrowed by the Company for the year of purchasing assets. However, this rate shall not exceed the highest borrowing interest rate published by the Ministry of Finance for non-financial institutions.

- (B) If the related party has previously set up a mortgage loan for the subject property with a financial institution, the total assessed value of the financial institution's lending evaluation for the subject property. However, the actual accumulated value of the financial institution's lending for the subject

property shall reach at least seventy percent of the assessed value, and the lending period has exceeded one year. This provision does not apply when the financial institution and one party to the transaction are related parties.

- (2) In the case of a combined purchase or lease of the same property of land and buildings, the transaction costs may be assessed separately for land and buildings using either of the methods described in the preceding paragraph.
- (3) When the Company acquires real estate or its usage rights assets from related parties, the costs of the real estate or usage rights assets shall be assessed according to the procedures set forth in the first and second subparagraphs of this article, and shall be reviewed and provide a specific opinion by an accountant.
- (4) When the assessment results based on the procedures stipulated in the first to fourth subparagraphs of this article indicate that the transaction costs are lower than the transaction price, the following actions shall be taken. However, in the following circumstances, objective evidence and specific reasoned opinions from real estate appraisers and accountants may exempt from this requirement:
 - (A) If the related party acquired the land or leased it for subsequent construction, they may present evidence to meet one of the following conditions:
 - (a) The land is assessed according to the methods specified in the previous article, and the buildings are evaluated based on the related party's construction cost plus a reasonable construction profit, and the combined total exceeds the actual transaction price. The term "reasonable construction profit" should be based on the lower of the average gross profit margin of the related party's construction department for the past three years or the most recent gross profit margin for the construction industry published by the Ministry of Finance.
 - (b) Other non-related party transactions for similar areas or different floors of the same property within one year, with comparable conditions, and the transaction conditions are determined to be substantially similar after assessing price differences that should reasonably exist based on common real estate purchase or lease practices.
 - (B) If the real estate or usage rights assets purchased or leased from related parties by the Company are found to have transaction conditions substantially similar to other non-related party transactions within the past year in the adjacent areas and with similar sizes. The term "adjacent areas" refers to the same or neighboring streets within a circle with a radius of less than 500 meters from the subject property, or properties with similar announced market values. "Similar sizes" means that the sizes of these properties should not be less than 50% of the size of the subject property. The assessment is based on a one-year period counted backward from the date of the occurrence of the facts of acquiring the real estate or its usage rights assets.
- (5) When the assessment results based on the procedures stipulated in the first to fourth subparagraphs of this article indicate that the transaction costs are lower than the transaction price, the following actions shall be taken:
 - (A) The Company shall set aside special surplus for the difference between the transaction price of the real estate or usage rights assets and the assessment costs in accordance with Article 41, paragraph 1 of the Securities Exchange Act and shall not distribute or increase capital stock. If an investor evaluates the Company using the equity method and is a public offering company, the special surplus shall be set aside according to the holdings ratio, in accordance with Article 41, paragraph 1 of the Securities Exchange Act.
 - (B) The Audit Committee shall perform its duties in accordance with Article 218 of the Company Act.
 - (C) The handling of the matters as specified in the first and second points of the fifth subparagraph of this article shall be submitted to the shareholders' meeting, and the detailed information regarding the transaction shall be disclosed in the annual report and public offering prospectus. Furthermore, if the Company and the public offering company that evaluates the Company using the equity method have set aside special surplus in accordance with the aforementioned regulations, the special surplus may only be

utilized after providing evidence that the assets purchased at a higher price or leased, have been recognized as an impairment loss, disposed of, the contract has been terminated, or reasonable compensation has been made, or the original state has been restored, or there is other evidence confirming that there is no unreasonable situation. Prior approval from the competent authority is required.

- (6) In the case of a combined purchase or lease of the same property of land and buildings, the transaction costs may be assessed separately for land and buildings using either of the methods described in the preceding paragraph.
- (7) In the event that there is other evidence indicating that the transaction deviates from ordinary business practices, the provisions of the fifth subparagraph of this article shall apply.

Article 11: Procedures for Acquiring or Disposing of Intangible Assets, Usage Rights Assets, or Membership Certificates

1. Evaluation Procedures, Pricing Method, and Reference Basis

A feasibility assessment report is to be submitted by the requesting unit, accompanied by a memorandum explaining the reasons. Following approval based on the company's authorized power limits, it may proceed. If the acquisition is required to be publicly announced and reported as per this procedure, an expert evaluation opinion report should also be obtained.

2. Operational Procedures

(1) Authorization Levels

(A) For the acquisition or disposal of intangible assets, usage rights assets, or membership certificates that require public announcement and reporting as per this procedure, they must be processed after approval by the Board of Directors.

(B) For the acquisition or disposal of assets that require a resolution, approval, or reporting to the shareholders' meeting in accordance with the Company Law or other legal regulations, the respective procedures shall be followed.

(2) Executing Units:

The executing units for intangible assets, usage rights assets, or membership certificates are the user departments, the finance department, and relevant responsible units.

3. Expert Evaluation Opinion Report for Intangible Assets, Usage Rights Assets, or Membership Certificates

When the transaction amount for the acquisition or disposal of intangible assets, usage rights assets, or membership certificates reaches 20% of the company's paid-in capital or exceeds NT\$300 million, except for transactions with domestic government agencies, the company shall request an auditor to provide an opinion on the reasonableness of the transaction price before the occurrence of the transaction. The auditor shall follow the guidelines provided in the 20th audit practice statement issued by the Accounting Research and Development Foundation.

Article 11-1: Calculation of Transaction Amount for the First Four Articles shall

be handled in accordance with the provisions of Article 15, paragraph 1, subparagraph 8, and the term "within one year" is based on the occurrence date of the current transaction. Amounts already assessed based on professional appraisal reports or auditor opinions as required by this standard are partially excluded from recalculation.

Article 12: Procedures for Acquiring or Disposing of Financial Institution Debt Claims

The company generally does not engage in transactions involving the acquisition or disposal of debt claims from financial institutions. In the future, if there is a desire to engage in transactions involving the acquisition or disposal of debt claims from financial institutions, the evaluation and operational procedures will be formulated after seeking approval from the Board of Directors.

Article 13: Procedures for Acquiring or Disposing of Derivative Instruments

When acquiring or disposing of derivative instruments, the company shall follow the procedures outlined in the company's "Procedures for Engaging in Derivative Instrument Transactions."

Article 14: Procedures for Mergers, Demergers, Acquisitions, or Share Transfers

1. Evaluation and Operational Procedures:

(1) When the company conducts mergers, demergers, acquisitions, or share transfers, it should engage lawyers, accountants, underwriters, and other relevant professionals to jointly study the expected timetable for legal procedures. It should also establish a special task force to execute actions following legal procedures. Before convening the board of directors' meeting, the company should commission accountants, lawyers, or securities underwriters to provide opinions on the fairness of the exchange ratio, acquisition price, or the distribution of cash or other assets to shareholders. These opinions should be submitted to the board of directors for discussion and approval.

However, in the case of a public company merging with its subsidiary, which it directly or indirectly owns 100% of the issued shares or capital, or a merger between such subsidiaries, the requirement to obtain expert opinions on fairness may be waived.

(2) The company should prepare a public document for shareholders, detailing the essential terms and related matters of the merger, demerger, or acquisition, before the shareholders' meeting. This document should be provided to shareholders along with the expert opinions described in the preceding paragraph and the notice of the shareholders' meeting, serving as a reference for whether to approve the merger, demerger, or acquisition. However, in cases where other legal provisions exempt the need to convene a shareholders' meeting for resolution of the merger, demerger, or acquisition, this requirement does not apply.

Additionally, in the case of companies participating in mergers, demergers, or acquisitions, if a shareholders' meeting of any party cannot be convened, the number of attendees is insufficient, or there are insufficient voting rights, or if there are other legal restrictions that lead to the inability to convene or make resolutions at the shareholders' meeting, the participating company should immediately provide public disclosure explaining the reasons for this occurrence, the subsequent processing procedures, and the expected date for convening a shareholders' meeting.

2. Other Matters to Note

(1) Board Meeting Date: Companies participating in mergers, demergers, or acquisitions should, unless otherwise provided by other laws or subject to prior approval by the competent authority due to special circumstances, convene both the board of directors and the shareholders' meeting on the same day to resolve related merger, demerger, or acquisition matters. Companies participating in share transfers should also convene a board of directors' meeting on the same day, except where otherwise provided by other laws or subject to prior approval by the competent authority due to special circumstances.

(A) For companies participating in mergers, demergers, acquisitions, or share transfers and listed on stock exchanges or having their shares traded in securities business places, the following information should be documented in writing and retained for five years for auditing purposes:

(a) Basic Personnel Information: Including titles, names, and ID card numbers (or passport numbers for foreign individuals) of all persons involved in the planning or execution of merger, demerger, acquisition, or share transfer before the public announcement.

(b) Significant Dates: Including dates of signing memorandums of understanding or intent, engagement of financial or legal advisors, contract signing, and board meetings, among others.

(c) Important Documents and Meeting Minutes: Including plans for merger, demerger, acquisition, or share transfer, memorandums of understanding or intent, important contracts, and board meeting minutes, among other documents.

(B) Companies participating in mergers, demergers, acquisitions, or share transfers and listed on stock exchanges or having their shares traded in securities business places should, within two days of the

board meeting resolution, report the information outlined in (a) and (b) above to the competent authority through the internet-based information system, following the prescribed format.

- (C) For companies participating in mergers, demergers, acquisitions, or share transfers and not listed on stock exchanges or having their shares traded in securities business places, if any company participating is listed as described above, it should sign an agreement with the other party and follow the provisions in the second paragraph (1) and (2) of this Article.
- (2) Pre-Transaction Confidentiality Commitment: All individuals involved or informed about the company's merger, demerger, acquisition, or share transfer plan shall provide a written confidentiality commitment. Prior to the public disclosure of information, they must not disclose the contents of the plan to external parties. They must also refrain from buying or selling, either directly or indirectly using another person's identity, the stocks of all companies involved in merger, demerger, acquisition, or share transfer, as well as other securities with equity-like characteristics.
- (3) Principles for Establishing and Amending the Exchange Ratio or Acquisition Price:
- Companies participating in mergers, demergers, acquisitions, or share transfers shall, before the respective board meetings, engage auditors, lawyers, or securities underwriters to provide an opinion on the reasonableness of the exchange ratio, acquisition price, or the distribution of cash or other property to shareholders, and submit it to the shareholders' meeting for approval. The exchange ratio or acquisition price should, in principle, not be changed arbitrarily, except when the conditions for change have already been included in the contract and publicly disclosed. Conditions for changing the exchange ratio or acquisition price are as follows:
- (A) Carrying out a cash capital increase, issuing convertible corporate bonds, free stock dividends, issuing convertible preferred stock, issuing stock warrants, and other securities with equity-like characteristics.
- (B) Major actions affecting the company's financial and business operations, such as divesting significant company assets.
- (C) Events affecting shareholder rights or securities prices, such as significant disasters or significant technological changes.
- (D) Adjustment due to the buyback of treasury shares by any company participating in the merger, demerger, acquisition, or share transfer under the law.
- (E) Changes in the number of entities or shareholders participating in the merger, demerger, acquisition, or share transfer.
- (F) Other conditions for change specified in the contract and publicly disclosed.
- (4) Contractual Content: The contract of the merger, demerger, acquisition, or share transfer company, in addition to complying with the provisions of Article 317-1 of the Company Act and Article 22 of the Merger and Acquisition Act, should specify the following matters:
- (A) Handling of breaches of contract.
- (B) The principles for handling the equity-like securities or treasury shares of the company to be dissolved or split off due to the merger.
- (C) The quantity and principles for handling treasury shares that the participating companies may repurchase after the reference date for calculating the exchange ratio under the law.
- (D) The method of handling changes in the participating entities or shareholders.
- (E) Estimated implementation progress and expected completion schedules.
- (F) Procedures for convening a shareholder meeting in accordance with the law when the plan is delayed and not completed by the expected deadline, including the anticipated date for convening the shareholder meeting.
- (5) When any party participating in a merger, demerger, acquisition, or share transfer has a change in the number of participating entities, and the shareholder meeting has already authorized the board to modify the terms, such party may avoid convening a new shareholder meeting for resolution, provided that for

processes or legal actions completed within the original merger, demerger, acquisition, or share transfer case, all participating companies shall perform them again.

- (6) In the case of participation by a non-publicly traded company in a merger, demerger, acquisition, or share transfer, the Company shall enter into an agreement with such company and follow the provisions of Article 2(1) regarding the date for convening a board meeting, Article 2(2) concerning prior confidentiality commitments, and Article 2(5) regarding the case of a change in the number of participating companies.

Article 15: Information Disclosure Procedure

1. When the Company acquires or disposes of assets, the following situations shall

require information to be announced and reported in accordance with the nature of the assets, using the prescribed format on the designated website of the competent authority:

- (1) Acquiring or disposing of real estate or usage rights assets from related parties, or acquiring or disposing of assets other than real estate or usage rights assets from related parties, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more. This does not apply to transactions involving domestic government bonds, bonds with buyback and sell-back conditions, or subscriptions or purchases of money market funds issued by securities investment trust enterprises.
- (2) Engaging in mergers, demergers, acquisitions, or share transfers.
- (3) Incurring trading losses in derivative product transactions that reach the loss limit amount as defined in the prescribed processing procedure for all or individual contracts.
- (4) Acquiring or disposing of equipment or usage rights assets for business use and the counterparty is not a related party, with a transaction amount of NT\$500 million or more.
- (5) Publicly traded companies engaged in construction businesses acquiring or disposing of real estate or usage rights assets for construction use, with the counterparty not being a related party, and a transaction amount of NT\$500 million or more.
- (6) Acquiring real estate through methods such as self-development, land leasing, joint development, joint construction, joint partition, or joint sale, with the counterparty not being a related party, and the Company's expected transaction amount exceeds NT\$500 million.
- (7) Transactions involving assets other than those mentioned in the previous six items, the disposal of claims by financial institutions, or investments in mainland China, with transaction amounts reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for the following situations:
 - (A) Buying or selling domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.
 - (B) Trading in securities as a professional investor on a securities exchange or at a securities firm's place of business, subscribing to foreign bonds or issuing ordinary corporate bonds that do not involve equity or general financial bonds (excluding subordinated bonds), or subscribing to or buying back securities investment trust funds or futures trust funds, or subscribing to or redeeming index-linked securities, or purchasing or selling securities for the underwriting business, or subscribing to securities as required by the GreTai Securities Market based on the Taiwan Stock Exchange Corporation and the Taipei Exchange Corporation's Regulations Governing Recommendation of Securities Firms for Listing at the GreTai Securities Market.
 - (C) Buying or selling bonds with buyback or sell-back conditions or subscribing to or buying back money market funds issued by domestic securities investment trust enterprises.
- (8) The calculation of transaction amounts in the seventh paragraph is as follows:
 - (A) The amount of each transaction.
 - (B) The cumulative amount of transactions involving the same type of subject matter acquired from or disposed of to the same counterparty within one year.
 - (C) The cumulative amount of transactions involving the same real estate development project or its usage

rights assets acquired from or disposed of (cumulatively for acquisitions and disposals) within one year.

(D)The cumulative amount of transactions involving the same securities acquired from or disposed of (cumulatively for acquisitions and disposals) within one year.

The term "within one year" is calculated retroactively one year from the date of the transaction at hand, and transactions that have already been disclosed in accordance with the regulations are excluded from calculation.

2. Deadline for Announcement and Reporting

The Company shall, within two days from the date of the transaction, start counting, make the announcement and report as required for assets acquired or disposed of with items that should be announced in accordance with the first paragraph of this article and reaching the standard for announcement and reporting in this article.

3. Announcement and Reporting Procedures

- (1)The Company shall enter the information concerning the Company and non-publicly issued subsidiaries engaging in derivative commodity transactions, up to the end of the previous month, into the information reporting website designated by the competent authority in accordance with the prescribed format before the 10th day of each month.
- (2) If there are errors or omissions in the items that the Company should announce as required when announcing, and corrections are required, the Company shall make a complete announcement and report of all items within two days from the date it becomes aware of the errors or omissions.
- (3) For assets acquired or disposed of, the Company shall keep the relevant contracts, meeting minutes, record-keeping books, valuation reports, opinions of accountants, lawyers, or underwriters, and shall retain them for at least five years, except as otherwise provided by other laws.
- (4) After announcing and reporting in accordance with the provisions of this article, if one of the following situations occurs, the Company shall make the announcement and report the relevant information on the website designated by the competent authority within two days from the date of occurrence:
 - (A)The relevant contract originally signed has been changed, terminated, or rescinded.
 - (B)The merger, division, acquisition, or share transfer has not been completed as scheduled in the contract.
 - (C)There is a change in the original announcement and reporting content.

Article 16: Control Procedures for Acquiring or Disposing of Assets by Subsidiaries

- 1.Subsidiaries shall also establish and implement "Asset Acquisition or Disposal Procedures" in accordance with the relevant provisions of the "Guidelines for Handling Asset Acquisition or Disposal by Public Issuers."
- 2.Subsidiaries shall prepare a detailed statement of assets acquired or disposed of for the previous month by the 6th day of each month (excluding the 6th) and submit it to the Company.
- 3.Subsidiaries that are not public issuers, but whose assets acquired or disposed of reach the disclosure and reporting standards set forth in Article 31 of the "Guidelines for Handling Asset Acquisition or Disposal by Public Issuers," shall also be subject to disclosure and reporting by the parent company.
- 4.In the subsidiary's disclosure and reporting standards, the criteria related to the issued capital or total assets shall be based on the Company's issued capital or total assets.
- 5.Internal auditors within the subsidiary shall audit the asset acquisition or disposal procedures and their implementation and maintain written records. If significant compliance violations are identified, they shall immediately notify the Company's internal audit unit in writing. The Company's internal audit unit shall submit the written information to the members of the Audit Committees.
- 6.When the Company's internal auditors conduct audits in the subsidiaries, they shall also understand the execution status of the asset acquisition or disposal procedures of the subsidiary. If any deficiencies are found, they shall continue to monitor the improvement process and prepare a follow-up report for submission to the General Manager.

Article 17: Penalties

Employees of the Company who handle asset acquisitions or disposals in violation of this Processing Procedure shall be subject to assessment and punishment in accordance with the Company's personnel management regulations,

depending on the severity of the violation.

Article 18: Implementation and Amendment

The "Asset Acquisition or Disposal Procedure" of the Company shall be implemented after approval by the Audit Committee with the agreement of more than half of its members and subsequent approval by the Board of Directors, followed by approval by the shareholders' meeting for amendments. If the agreement of more than half of the members of the Audit Committee is not obtained, it may be approved by the agreement of more than two-thirds of the full Board of Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. The terms "all members of the Audit Committee" and "all directors" mentioned in the preceding paragraph shall be calculated based on the actual incumbents. When submitting the "Asset Acquisition or Disposal Procedure" to the Board of Directors for discussion in accordance with the provisions of the first paragraph, due consideration shall be given to the opinions of independent directors. If any independent director expresses dissenting or reservations, such opinions shall be recorded in the minutes of the Board of Directors' meeting.