DELPHA CONSTRUCTION CO., LTD.

Procedures for Acquisition or Disposal of Asset

Chapter 1 – General Provisions

Article 1. Purpose and Source of Law

These Procedures are especially provided for the enhancement of asset management compliance to openness of information for the public. The formulation whence the applicable regulations are from the competent authority and shall be complied.

Article 2. Terms

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

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) 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: 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.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law: refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and

other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

9. Other major assets.

Article 3. Evaluation Procedure

Acquisition or disposition of the Company's investments in marketable securities or derivative transactions shall be analyzed the relevance effectiveness and possible investment risks by the accounting department. Acquisition or disposition of real estate and its right to use or other assets shall be assessed the possibility and expected effectiveness by every department-in-charge drafting the capital expenditure plan in advance. If the transaction is with a related party, it shall be evaluated on the reasonableness of the transaction term in accordance with Chapter 2 of this Procedure.

Appraisal Procedures for the Acquisition or Disposal:

1. Securities: the Company shall, prior to the date of occurrence of the event, obtain financial statements for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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 competent authority.
2. Real property, Equipment, or Right-of-use Assets: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following operation procedure.
3. Intangible Assets or Right-of-use Assets Thereof or Memberships: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness

of the transaction price.

4. The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with a professional appraiser's report and CPA's opinion or other relevant experts, and shall also comply with following conditions:
   (1) Acquisition or disposal of securities transacted on a centralized exchange market or OTC market; the prices shall be decided by the listed price or market price at the time of transaction.
   (2) Acquisition or disposal of securities not transacted on a centralized exchange market or OTC market, the price decision shall refer to financial statements of the issuing company for the most recent period, values per share, know-how, profit returns, potential, market ratio, bonds par ratio and creditor's rights and shall refer to the market price at the time of transaction and the net present value for the potential return of the assets.
   (3) For those acquisition or disposals of membership, the dealing price should be determined by its benefits can be generated based on guidelines agreed at the recent trading price; acquisition or disposition of patents, copyrights, trademarks, licenses and other intangible assets, reference should be international or market practice, usable years and the company's technology, the impact of the business agreed.
   (4) The acquisition of real property or right-of-use assets shall refer to publicly announced current value, appraisal value, the actual transaction price of neighboring real estate, or appraisal report issued by a professional appraiser. thereof from a connected party by the Company and appraises the cost of the real property thereof in accordance with the provisions of chapter 2 shall also engage an accountant to check the appraisal and render a specific opinion.
   (5) To Engage in derivative transactions should deliberate future market conditions, exchange rates and interest rates, etc.
   (6) Handling merger, demerger, acquisition or transfer of shares should consider the nature of its business, share net asset value, technology and profitability, capacity and future growth potential, etc.
5. 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 the CPA opinion.

The calculation of the transaction amount of proceeding items should be based on Paragraph 2 of Article 5 and the reference to "within one year" is one year prior to the date of the occurrence of the instant transaction fact. Items for which a professional appraiser has issued the appraisal

report or an accountant has issued an opinion in accordance with the Regulations need not be counted.

Article 4. Operation procedure

The acquisition or disposal of assets shall comply with the following amount limit and procedure:

1. Security

   Authorize the chairman to decide in advance within the amount limit in Article 7 of this Procedure. Items in accordance with Article 5 shall be publicly announced and approved by The Audit Committee and executed after passage by the Board of Directors resolution.

2. Real Estate, Equipment and Right-of-use assets

   The acquisition or disposal of which the amount is NT$500 million or under, shall be approved by the chairman; for the amount exceeding NT$500 million, the acquisition or disposal shall be approved by The Audit Committee and executed after passage by the Board of Directors resolution; or the acquisition or disposal shall be approved by The Audit Committee in advance and authorized the chairman handle in specific area, period and within certain amount after passage by the Board of Directors resolution. Either after the BOD resolution or authorizing the chairman is supportable and the above-mentioned dollar total amount shall not exceed NT$ 10 billion.

3. Derivative Transactions

   (1) Hedge Transaction

   According to the Company's sales volume and risk management, the limit dollar amount is US$ 1 million per transaction, up to US$ 4 million in one day. Items shall be approved by the chairman, only needed to be approved by the Audit Committee over the limit amount and executed after passage of the Board Directors resolution.

   (2) Non-Hedge Transaction

   To control the risk, a transaction or accumulation transaction, in which the total amount under US$ 1 million (equivalent currency) shall be approved by the chairman. A transaction or accumulation, in which the total amount above US$ 1 million shall be approved by the Audit Committee and executed relevant transactions after passage of the Board Directors resolution.

   (3) To ensure the authorities complying with related supervisor management by FSC, the authorized transaction personnel shall inform the bank.

   (4) Mentioned-above authorized derivative products transaction shall be reported to the recent Board meeting.

4. Related Party Transaction: Related information shall be prepared according to Chapter 2 of this Procedure and be approved by the Audit Committee, and executed after passage of the Board Directors resolution.
5. A Merger, Demerger, Acquisition, or Transfer of shares: Information shall be prepared and engaged according to Chapter 4. A merge, demerger, or acquisition shall be executed after a resolution of shareholders meeting. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Transfer of shares shall be executed by the passage of the Board meeting.
6. Others: It shall conduct in accordance with internal control policy and the regulation of approval authority. Once the transaction amount reaches public announce standard in Article 5, it shall be approved by the Audit Committee and executed after passage of the Board of Directors resolution.

Any situations specified in Article 185 of Company Act shall be approved in advance by shareholders meeting resolution.

Executive unit and transaction procedure: The acquisition and disposal of each asset of the Company is executed by the authorized unit. Each unit accesses the possibility and has the approval in accordance with the regulations, and shall conduct the transaction procedure on order, receiving payment, payment release and acceptance depending on the type of assets for internal policy governing procedure. For transaction of related party, derivatives, a merger, demerger, acquisition or transfer of shares shall comply with Chapter 2-4 of this Procedure.

Article 5. Publicly announce standard

Under any of the following circumstances, the Company acquiring or disposing of assets procedure shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

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 the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises.
2. Merger, demerger, acquisition, or transfer of shares.

3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Article 14 Clause 1.4 of the procedures adopted by the Company.
4. Where the type of asset acquired or disposed are operational equipments or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount reaches following amount:
   (1) Paid-in capital does not reach NT$ 10 billion, the total transaction amount is over NT$ 500 million.
   (2) Paid-in capital reaches NT$ 10 billion, the total transaction amount is over NT$ 1 billion.
5. Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the Company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more.
6. 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, the trading 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 an asset transaction other than any of those referred to in the preceding six subparagraphs or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:
   (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
   (2) Trading of bonds under repurchase/resale agreements or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions

and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

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

“Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount within the preceding year.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

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.

Where any of the following circumstances occurs with respect to a transaction that has already publicly been announced and reported in accordance with the preceding article 1,4,5, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days commencing immediately from the date of occurrence of the event:

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 6. Procedures for Asset Appraisal

In acquisitions or disposition of real property or equipment, other than transactions with the government, construction on owned property, construction on rental property or acquiring or disposing of equipment used for operations, where the transaction value reaches 20% of the total paid-in capital or NT$300 million, the Company should on the day before the transaction date obtains a professional appraisal report in accordance with the regulations set forth below. If the Company has acquired or disposed of assets through a court auction, the Company may use the court issued document as a replacement for the appraisal report or accountant opinion.

1. Where due to special circumstances it is necessary to give a limited price, specified price,

or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. If the appraisal report of the professional appraiser has one of the following situations, except if the appraisal value is higher than the acquisition value or if the appraisal value is lower than the disposition value, the Company should request an accountant to provide proper, specific reasons for the discrepancy in the transaction price：
   (1) If the discrepancy in the transaction price is more than 20%.
   (2) If two or more professional appraiser reports have a discrepancy of more than 10%.
4. The appraisal report by the professional appraiser shall be issued within three (3) months of the execution date of the agreement. But if it is applicable to the announced current value for the same period and if the report is not over six (6) months old, the opinion should be issued by the original professional appraiser.

Unless using a set value, specially designated or exceptional value as a reference for the transaction value, if there is good cause for not obtaining an appraisal report on time, the Company should obtain the appraisal report and an accountant opinion as set forth in the preceding paragraph 3 within two (2) weeks of the transaction date, including the transaction date.

Article 7. The Limited Amount for Real Estate and Securities for non-operation Acquisition

Other than acquiring assets for operation purposes, the Company and its subsidiaries shall be limited to the following amount as follows for non-operation real property investments and securities:

1. The total amount for the non-business use of the property may not exceed 50% of the company’s net worth which is reported on the most recent financial statement; subsidiary shall not exceed 30% of its net worth which is reported on the most recent financial statement.
2. The total amount for the Securities may not exceed the 30% of the company’s net worth which is reported on the most recent financial statement; subsidiary shall not exceed 30% of its net worth which is reported on the most recent financial statement.
3. The limitation of investing each security not exceeding the 20% of the company’s net worth which is reported on the most recent financial statement; the total amount for a

subsidiary shall not exceed 20% of its net worth which is reported on the most recent financial statement.

4. The investment net value of the Company and its subsidiaries to any single entity of public companies not exceeding the 20% of either the company's or its subsidiaries net worth which is reported on the most recent financial statement.
5. The investment net value of the Company and its subsidiaries to any single entity of public companies not exceeding the 30% of total issued shares.

Where the Company participates in investment and is a director or a supervisor; plans to have long-term holding shall not apply in Paragraph Four and Five.

Where the Company's net worth in the most recent financial report in the procedure means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 8. Control procedures for the acquisition and disposal of assets by subsidiaries

Control procedures for the acquisition and disposal of assets by subsidiaries shall comply with the following:

1. The Company and its subsidiaries should seek approval of the Board of Directors and get approval at the General Meeting of Shareholders in accordance with the regulations of the competent authority on Procedures on Acquiring or Disposing of Assets and carry out those procedures. The same shall apply to any modifications.

   Where the Audit Committee of the Company's subsidies has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. The same shall apply to any modification. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

   If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures 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.
2. If the subsidiaries are non-public listed, any assets acquired or disposed need to comply with internal control regulations and the procedure of acquisition and disposal to assets

and require to report to the Company all derivative transactions before every 5th of the month up till the end of the previous month

3. If the subsidiary is non-public listed, any assets acquired or disposed by which that are subject to reporting must be notified to the Company prior to the date of occurrence. The Company will then publish these transactions onto the designated website.

For non-public subsidiaries, whether transactions of paid-up capital exceed 20% or 10% of total assets shall be based on the Company's paid-up capital or total assets.

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 9. Penalty

Violating this procedure shall be disciplined according to Securities and Exchange Act, Criminal Law and Company Act.

Chapter 2 - Related Party Transaction

Article 10. Scope and definition

In considering whether a counterparty is a related party in the line with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, attention shall be directed to the substance of the relationship in addition to the legal form.

Article 11. Resolution procedures on related party transactions

When the Company acquires or disposes of real property from a related party or acquires or disposes of other assets with a related party and such a transaction value reaches 20% of the total paid in capital, 10% of the total assets of the Company or NT$300 million, except for the sale or purchase of bonds, the purchase or redemption of securities with conditions, subscription or redemption of domestic currency market funds, the executing department should prepare the following information for Board of Directors approval and Supervisor recognition before executing the transaction agreement and making payments:

1. Purpose and necessity of acquiring or disposing of assets and the expected benefits.
2. The reason for choosing the related party as a trading counterparty.
3. Evaluating the terms of a transaction and relevant information when acquiring real property from a related party in accordance with Article 12 and 13.

4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. Obtaining a professional appraiser year commencing from the anticipated month of signing of the contract when a transaction value reaches 20% of the total paid in capital, 10% of the total assets of the Company or NT$300 million.
7. Restrictions on this transaction and other important agreed upon items:

The Board of Directors may authorize the Chairman of the Board of Directors to proceed with following transactions between the Company and its subsidiaries; direct holding or indirect holding within NTD 50 million and then seek approval from the Board of Directors at the next meeting of the Board of Directors:

1. Acquiring or disposing of operation equipment
2. Acquiring or disposing of the right to use assets of real estate.

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

The calculation of the transaction value of Paragraph 1 and the preceding 1 should be handled in accordance with Paragraph 2 of Article 5 and within one (1) year shall begin accruing from the actual transaction date, but those items already approved by the Board of Directors and Shareholders meeting or recognized by the Audit Committee shall not be included herein.

Article 12. Appraised the Reasonableness of the Transaction Terms

The Company acquires real estate or right-of-use assets to related party shall evaluate transactions cost according to the following criteria:

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

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

Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above.

The acquisition of real property or right-of-use assets thereof from a related party by the Company and appraises the cost of the real property or right-of-use assets thereof in accordance with the provisions of subparagraph 1 and 2 of this Paragraph shall also engage an accountant to check the appraisal and render a specific opinion.

Where the Company acquires real estate or right-to-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with previous provision and the preceding three paragraphs do not apply:

1. The related party acquired the real estate 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 estate to the signing date for the current transaction.
3. The real estate is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on leased land.
4. The right-of-use assets for business purpose are acquired through the Company, its parent company, its subsidiaries, or subsidiaries holding 100% issued shares directly or indirectly.

Article 13. Appraisals transaction cost is uniformly lower than transaction price, the following steps

Where the Company acquires real property from a related party and the results of appraisals is uniformly lower than the transaction price, the following steps shall be taken in accordance with Paragraph 3 Article 13 except offering objective evidence, real estate appraiser and CPA's specific reasonable opinions as follows:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
   (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus

reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

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

2. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices

The so-called adjoining area transaction of the preceding items means the same or adjoining areas which are in the distance of less than 500 meters or close to the announced current value. The measure of the area is similar when other measure of the area of the affiliated persons transactions is not less than 50% of the transaction targets. One year should be one year prior to the effective date of obtaining the real estate.

Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the provision of the preceding paragraph are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two items shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any

investment prospectus.

If other transactions are shown not in the normal course of operation acquiring real estate or the right-of-use assets from related party shall follow the provision of the preceding paragraph.

Chapter 3 - Derivative Transactions Control

Article 14. Transaction with the Principles and Guidelines

The Company conducting derivative product follows:

1. 1. Type of transaction

   Forward contracts, options contracts, interest rates, foreign exchange rates, commodity prices or hybrid contracts combining the above contracts. Other products shall be approved by the Audit Committee and execute after passage of the Board of Directors resolution.

2. Operating or hedging strategies:

   The Company's derivative transactions are divided into hedging and trading (non-hedging) purposes. Transactions should be primarily engaged to avoid business risks. The types of derivatives should be selected in the way that mitigates risks on foreign currency income, expenses, assets, or liabilities which arise as a result of business activities. Additionally, derivatives can be traded for "non-hedging purposes" at the proper timing as means of increasing non-operating revenues or reducing non-operating losses. As a priority, the Company should transact with financial institutions it has banking relationships with, in order to avoid credit risks. Each transaction must be determined either for hedging or for trading before taking place. This is to facilitate proper bookkeeping.

3. Trading limits

   (1) For hedge purposes: the total amount of the transaction limit shall not exceed one-half of the net value of the Company.

   (2) For non-hedging purposes: the total amount of the transaction limit shall not exceed US$ 1.5 million. Trading person shall submit an analysis report of foreign exchange trend indicating the market trend and suggestion of the operation method, and execute after approval.

4. All caps with individual contract losses

   (1) For hedge purpose

   Hedge trading is for actual operation needs for the Company. The risk control and management are evaluated in advance; thereof no loss limit exists.

   (2) For non-hedging purpose

   Stop loss point shall be set up once the contracts are executed. The losses for each

individual contract shall not exceed 10% of the original contract amount. Maximum total loss per year shall not exceed US$ 300,000.

5. Division of responsibilities
   (1) Trading personnel
   Trading personnel is the person who executes derivative products, and is assigned by the chairman. Within authorized scope, the person is responsible for outlining trading practices, executing transactions, disclosing future trading risk and offering real time information to the relevant department for reference.
   (2) Financial department
   To ensure the transactions position, and properly recording the transactions according to relevant regulations (SFAS etc.) Regularly evaluate the fairness of presentation to trading personnel and disclose in the financial statements.
6. Performance Evaluation essentials:
   (1) Hedge Transaction
   Evaluate the gain and loss between the performance and prescribed target of foreign exchange (interest) rate at least twice monthly. Summit the performance to the authorized management for reference.
   (2) Non-hedging transaction
   Review actual gain and loss at least once a week and submit the evaluation report to the authorized management.

Article 15. Risk Management Measures

The scope of the risk for the Company to engage in derivative transactions, and the relevant risk management should be in compliance with the following measures：

1. Credit risk:
   The transaction object qualifies the Company's bankers, and can provide professional information for the principle, and should be regularly provided between the pair of bills.
2. Market risk:
   Derivatives future market price fluctuations may be incurred losses and downs, so parts should be established to set strict stop-loss point.
3. Liquidity Risk:
   To ensure liquidity, trading, financial institutions must have adequate equipment, information and transaction capabilities and can be traded in any market, and cannot concentrate. Cash flow: authorized traders should follow the provisions of the addition, the usual foreign currency cash flows should be noted by the company, in order to ensure

that there are adequate cash settlement payments.

4. Operating risk:
   You must indeed comply with authorized limits, operational procedures, in order to avoid risks on the job.
5. Legal risk:
   A document signed by the counterparty should be a generally common contract, which should be reviewed by a legal or lawyer.
6. Commodity Risk:
   Insider for derivatives transactions should have complete and correct expertise to avoid misuse of derivatives lead to losses.
7. Cash Settlement Risk:
   Authorized personnel for transactions shall strictly comply with the regulation within authorized amount limit. To be aware of the Company's cash flow periodically to make sure enough cash for settlement.
8. Personnel for transactions, confirmation, settlement and other operations shall not be have two positions for the overall transaction at the same time.
9. The personnel for confirmation shall periodically review the balance sheet or confirmation sheet of the trading bank and confirm the total trading amount shall not exceed the amount limit of this procedure.
10. Personnel responsible for risk supervision and risk control must be assigned under departments different to those who are traders, trade confirmation, and settlement personnel in subparagraph 8 this article, and shall report to the board of directors or senior supervisors who are not responsible for trading or exposure deciding
11. Trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors. (Note: senior management shall be different to executive unit).

Article 16. Internal Audit System

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

The Company's auditors should include the derivative transactions in the audit plan, and to file

the actual auditing situations of the annual audit plan to the competent authority by the end of February of the next year. Any improvements for irregularities should be reported to the FSC by the end of May of the next year.

Article 17. Regular evaluation methods and the handling of irregular circumstances

The Company shall evaluate the trading of derivative products as follows:

1. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be reviewed and submitted to the chairman and designated management personnel for reference on performance evaluation and risk measurement.
2. The management personnel authorized by the Board of Directors pay continuous attention to monitoring and controlling derivatives trading risk, and periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with this procedure. The Board of Directors shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance
3. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
   (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
   (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
4. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, monthly or weekly evaluation reports and the matters periodically evaluated by the board of directors or the management personnel authorized by the board of directors.

Chapter 4 – Mergers, divestments, business acquisitions, or share exchanges

Article 18.

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to

convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. Under the case that the Company merges the subsidiary who is directly or indirectly 100% owned by the Company, or the two subsidiaries who are directly or indirectly 100% owned by the Company respectively, the Company shall not render an opinion on reasonableness from professionals.

Article 19.

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any reason, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 20. Meeting Schedule and Data Preservation

Except for laws and those that have been previously approved by the Financial Supervisory Commission, if any mergers, divisions, or acquisitions, the Company should hold the Board of Directors' meetings and the shareholder meetings at the same date as other participants to resolve the mergers or acquisitions issues. If any share transfer, the Company should hold the Board of Directors' meetings at the same date as other participants

The Company should also keep the following information in written record and to keep it for five years for auditing purpose. The Company should within two days, including the date of the Board of Director resolution, report on the website designated by the Financial Supervisory Commission the information listed in subparagraph 1 and 2 below in the required format:

1. Personnel information: including the titles, names, and ID numbers (passport number if foreigners) joining the mergers, acquisitions, or the share transfer before the disclosure.
2. Significant date: including the date to sign the letter of intent ("LOI"), memorandum of understanding ("MOU"), the date to assign financial or legal consultant, the date to sign a

contract, and the Board of Directors' meeting date.

3. Significant documentation and the relevant meeting minutes: including the plans for mergers, divisions, acquisitions, LOI or MOU, important contracts, and Board of Directors' meeting minutes.

Article 21. The Share Exchange Ratio or Acquisition Price

The Company participating in a merger, demerger, acquisition, or transfer of shares shall not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances:

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

Article 22. Contents Specified in the Contract

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

1. Handling of breach of contract
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.

5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 23. Other Considerations of the Company Involved in a Merger, Demerger, Acquisition or Transfer of Shares

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

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

For companies joining the mergers, divisions, acquisitions, or share transfer which are not public companies, the Company shall execute an agreement with them and to process following the Article 20 and the provision of Paragraph 1 and 2 of this Article in this procedure.

Chapter 5 – Miscellaneous

Article 24. Data Preservation

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

Article 25. The qualifications of the professionals and Matters needing attention

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

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, 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 26.

If any director makes any objections in written format for any asset acquisition or disposition which should follow these rules or other laws to be approved by the Board of Directors, the company should send the objection materials to each supervisor. If the Company has set the independent supervisors, the Company should take each independent supervisor comment into consideration. Any opinions other than approval should be duly recorded in the Board of Directors meeting minutes. Material transactions for assets or derivatives shall be approved by

one-half of the Audit Committee and to be resolved by the Board of Directors. If the above mentioned is not approved by one-half of the Audit Committee, it can be approved by two-third of all the directors of the Board of Directors, and such resolution of the Audit Committee should be recorded in the Board of Directors meeting minutes. Only those directors who are in the actual position of the Audit Committee and/or the Board of Directors can be counted in the calculation of this Article.

Article 27. Implementation and Amendment Procedure

This Procedure, once approved by the Audit Committee, should be sent to the Board of Directors to be approved and submitted to shareholder meetings to practice and it is applicable to any amendment, If there are any objections in record or in written form by any director, such objection should be recorded on the Board of Directors' meeting minutes. The amendment or the legislation of the Procedures for Acquisition and Disposal of Assets should be approved by one-half of the Audit Committee and to be resolved by directors. If the above mentioned is not approved by one-half of the Audit Committee, it shall be approved by two-third of all the directors of the Board, and such resolution of the Audit Committee should be recorded in the Board of Directors' meeting minutes

Article 28. Others

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.

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.

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.

Related party, subsidiary or parent company: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 29.

This procedure was established on June 25th, 2003.

1st amendment was on June 5th, 2007.
2nd amendment was on June 19th, 2008.
3rd amendment was on June 9th, 2011.
4th amendment was on June 22nd, 2012.
5th amendment was on June 20th, 2013.
6th amendment was on June 19th, 2014.
7th amendment was on May 31st, 2016.
8th amendment was on May 31st, 2017.
9th amendment was on June 5th, 2019.
10th amendment was on June 23rd, 2020.
11th amendment was on Aug 5th, 2021.
12th amendment was on June 30th, 2022.