Wah Lee Industrial Corp.

Procedures for the Acquisition and Disposal of Assets

Approved and amended at the Shareholders' Meeting on May 26, 2026

Article 1: Purpose

These procedures are established to safeguard assets and implement information disclosure. Any matters not covered by these procedures shall be handled in accordance with the provisions of relevant laws and regulations.

Article 2: Legal Basis

These procedures are established in accordance with the relevant laws and regulations of the Financial Supervisory Commission (hereinafter referred to as the "FSC").

Article 3: Scope of Assets

1. Long-term and short-term securities: including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, warrants (call/put), beneficiary securities, and asset-backed securities.
2. Real property (including land, buildings and structures, and investment properties) and equipment.
3. Membership certificates.
4. Intangible assets: including patents, copyrights, trademarks, and franchises.
5. Right-of-use assets.
6. Claims of financial institutions (including accounts receivable, discount and loans on purchased exchange, and overdue receivables).
7. Derivative financial instruments.
8. Assets acquired or disposed of through merger, demerger, acquisition, or share transfer in accordance with the law.
9. Other significant assets.

Article 4: Definition of Terms

1. Derivative financial instruments: refers to forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of the aforementioned contracts, or hybrid contracts or structured products embedding derivative instruments, whose value is derived from a specific interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or credit index, or other variables. The term "forward contracts" as used herein excludes 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, demergers, acquisitions, or share transfers in accordance with law: refers to assets acquired or disposed of through mergers, demergers, or acquisitions pursuant to the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or through the issuance of new shares to acquire shares of another company pursuant to Article 156, Paragraph 8 of the Company Act (hereinafter referred to as share transfer).
3. Related parties and Subsidiaries: shall be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: refers to a real estate appraiser or any other person legally authorized to engage in the appraisal of real estate or equipment.
5. Date of occurrence: refers to the earliest of the following dates: the date of signing the transaction contract, the date of payment, the date of commission transaction, the date of transfer, the date of Board of Directors resolution, or any other date sufficient to identify the transaction counterparty and transaction amount. However, for investments requiring approval from the competent authority, the earlier of the above dates or the date of receiving approval from the competent authority shall prevail.
6. Investments in Mainland China: 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 Commission of the Ministry of Economic Affairs.

Article 5: The Company shall in principle not engage in transactions involving the acquisition or disposal of claims against financial institutions. Should the Company wish to engage in such transactions in the future, the matter shall be submitted to the Board of Directors for approval before establishing the relevant evaluation and operational procedures.

Article 6: For appraisal reports or opinion letters from CPAs, lawyers, or securities underwriters obtained by the Company, the professional appraisers and their appraisal personnel, CPAs, lawyers, or securities underwriters shall comply with the self-regulatory norms of their respective industry associations and meet the following requirements:

1. Have not violated relevant laws and regulations, resulting in a confirmed sentence of imprisonment of one year or more. However, those who have completed their sentence, whose probation period has expired, or who have been pardoned for more than three years shall not apply to this restriction.
2. Shall not be a related party or in a substantially related party relationship with any party to the transaction.
3. When appraisal reports from two or more professional appraisers are required pursuant to these procedures, different professional appraisers or appraisal personnel shall not be related parties to each other or be in a substantially related party relationship with each other.

Article 7: Evaluation and Operational Procedures

1. Price Determination and Reference Basis

(1) The acquisition or disposal of assets by the Company shall be handled by the responsible Supervisor in accordance with the provisions of the Company's internal control system regarding the "Property, Plant and Equipment Cycle and Investment Cycle."

(2) When the Company acquires or disposes of securities, except for securities expected to be held for less than one year, which shall be handled in accordance with the Company's approval authority regulations in response to rapidly changing market conditions, investments in securities expected to be held for one year or more shall first obtain the most recent financial statements of the target company audited or reviewed by a CPA as a reference for evaluating the transaction price, and shall be handled in accordance with the Company's internal control system "Investment Cycle" regulations. The valuation of the Company's long-term and short-term securities investments shall be conducted in accordance with generally accepted accounting principles and relevant laws and regulations.

(3) When the Company acquires or disposes of real estate, it shall refer to the announced current value, assessed value, and actual transaction prices of neighboring properties to determine transaction terms and transaction prices, and shall be handled in accordance with the Company's prescribed approval authority.

(4) When the Company acquires or disposes of property, plant and equipment, it shall carefully evaluate through procedures such as price inquiry, price comparison, and price negotiation, submit relevant materials, and coordinate with relevant Departments before handling in accordance with the Company's prescribed approval authority.

(5) When the Company acquires or disposes of membership certificates, it shall refer to the fair market price to determine transaction terms and transaction prices, and shall be handled in accordance with the Company's prescribed approval authority.

(6) When the Company acquires or disposes of intangible assets, it shall refer to expert evaluation reports or fair market prices to determine transaction terms and transaction prices, and shall be handled in accordance with the Company's prescribed approval authority.

(7) When the Company acquires or disposes of derivative financial instruments, the trading personnel shall formulate strategies for the Company's overall financial instrument transactions, regularly calculate positions, collect market information, conduct trend analysis and risk assessments, and formulate operational strategies, which shall be approved through the prescribed approval authority before serving as the basis for engaging in transactions.

(8) When the Company conducts a merger, demerger, acquisition, or share transfer, it shall, prior to convening a Board of Directors meeting for resolution, engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to Shareholders, and submit such opinion to the Board of Directors for discussion and approval.

2. Investment Limits and Authorization Levels

(1) The acquisition or disposal of securities investments shall be conducted in accordance with the approval authority levels prescribed by the Company; if the transaction amount reaches NT$300 million (inclusive) or above, it must be approved by the Board of Directors before proceeding.

(2) The acquisition or disposal of real estate, plant and equipment required for business operations, as well as real estate, plant and equipment not required for company operations, shall be conducted in accordance with the approval authority levels prescribed by the Company; if the transaction amount reaches NT$300 million (inclusive) or above, it must be approved by the Board of Directors before proceeding.

(3) The aggregate amount of real estate and right-of-use assets not for business use, or securities that the Company and each Subsidiary may individually purchase, as well as the limit on investment in individual securities, shall be subject to the following prescribed limits:

1.The total aggregate amount of real estate and right-of-use assets not for business use shall not exceed 30% of the net value of the Company's most recent financial statements; the total amount of real estate not for business use purchased by each Subsidiary of the Company shall not exceed 10% of the net value of the Company's most recent financial statements.

2. The total aggregate amount of securities shall not exceed 100% of the net value of the Company's most recent financial statements; the total amount of securities held by each Subsidiary of the Company shall not exceed 50% of the net value of the Company's most recent financial statements.

3. The limit on investment in individual securities shall not exceed 30% of the net value of the Company's most recent financial statements; the limit on investment in individual securities by each Subsidiary of the Company shall not exceed 30% of the net value of the Company's most recent financial statements.

4. For companies in which the Company or companies with a combined shareholding of 50% or more participate in investment establishment or serve as Director/Supervisor, and which are intended to be held on a long-term basis, such investments may be excluded from the calculation of the investment ratios stipulated in items 2 to 3 above.

(4) For the acquisition or disposal of membership certificates with an amount below NT$10 million (exclusive), such transactions shall be handled in accordance with the approval authority levels prescribed by the Company and shall be reported to

the nearest subsequent Board of Directors meeting for the record; for amounts of NT$10 million (inclusive) or above, such transactions must additionally be submitted to and approved by the Board of Directors before proceeding.

(5) For the acquisition or disposal of intangible assets with an amount below NT$30 million (exclusive), such transactions shall be handled in accordance with the approval authority levels prescribed by the Company and shall be reported to the nearest subsequent Board of Directors meeting for the record; for amounts of NT$30 million (inclusive) or above, such transactions must additionally be submitted to and approved by the Board of Directors before proceeding.

(6) For the acquisition or disposal of derivative financial instruments, in addition to considerations based on the Company's revenue growth and changes in risk positions, and further considering safety, each individual transaction shall require the handling personnel to prepare an application form, which shall be submitted to the responsible financial Supervisor for preliminary review and then forwarded to the Chairman or a senior executive authorized by the Chairman for approval before taking effect. Any amendments must also be approved by the Chairman or a senior executive authorized by the Chairman before they may be made. If time-sensitivity is a concern, the handling personnel may first obtain verbal consent from the responsible financial Supervisor and the Chairman or a senior executive authorized by the Chairman to proceed with the transaction, and subsequently submit the application form. Related transaction matters shall be reported to the Board of Directors after the fact.

(7) For assets acquired or disposed of through a legally conducted merger, demerger, acquisition, or share transfer, the important terms and related matters of the merger, demerger, or acquisition shall be compiled into a public document addressed to Shareholders prior to the Shareholders' Meeting, and shall be delivered to Shareholders together with the expert opinion referred to in item (VIII) of the preceding paragraph and the notice of the Shareholders' Meeting, to serve as a reference for Shareholders in deciding whether to approve the merger, demerger, or acquisition. However, this shall not apply to cases where other laws and regulations permit the merger, demerger, or acquisition to proceed without a resolution of the Shareholders' Meeting. Furthermore, if the Shareholders' Meeting of any party participating in the merger, demerger, or acquisition cannot be convened or a resolution cannot be passed due to insufficient attendance, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the Shareholders' Meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public announcement explaining the cause, subsequent handling procedures, and the expected date of the Shareholders' Meeting.

(8) When the Company's acquisition or disposal of assets is submitted to the Board of Directors for discussion pursuant to these procedures or other legal requirements, the opinions of each Independent Director shall be given full consideration, and their agreement or disagreement along with the reasons therefor shall be recorded in the meeting minutes.

(9) If any Department of the Company acquires or disposes of assets for business needs, and such acquisition or disposal constitutes a material matter as listed under Article 185 of the Company Act, it must be submitted to the Shareholders' Meeting for approval.

3. Executing Units

The Company's acquisition or disposal of assets shall be reported through the appropriate levels in accordance with the following provisions, and shall be submitted to the Board of Directors for deliberation when necessary:

(1) When the Company acquires or disposes of securities of companies that are not listed on a stock exchange or traded over-the-counter, such transactions shall be handled by the Investment Management Department and the Finance Department in accordance with the "Investment Cycle" provisions of the Company's internal control system. For securities of companies that are listed on a stock exchange or traded over-the-counter, the Chairman shall designate a specific person to conduct transactions at the centralized securities exchange market or at the premises of securities dealers, taking into account the Company's financial position.

(2) The Company's acquisition or disposal of real estate and equipment shall be handled by the Operation Support Department in accordance with the Company's "Property, plant and equipment Cycle".

(3) When the Company acquires or disposes of membership certificates or intangible assets, the Operation Support Department shall submit for approval in accordance with the approval authority set forth in the preceding article, and the user department and relevant departments shall be responsible for execution.

(4) When the Company acquires or disposes of derivative financial instruments, the Finance Department shall handle the matter in accordance with these procedures.

(5) When the Company conducts mergers, demergers, acquisitions, or share transfers, it is advisable to engage attorneys, CPAs, and underwriters to jointly deliberate on the statutory procedure timeline, and to form a project team to execute in accordance with the statutory procedures.

4. Appraisal Reports for Real Estate or Equipment

When the Company acquires or disposes of real estate, equipment, or right-of-use assets thereof, except for transactions with domestic government agencies, build-on-own-land contracts, build-on-leased-land contracts, or the acquisition or disposal of equipment or right-of-use assets thereof for business use, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, a valuation report issued by a professional appraiser shall be obtained prior to the date of the transaction, and the following requirements shall be met:

(1) Where a restricted price, specific price, or special price must be used as a reference basis for the transaction price due to special circumstances, the transaction shall first be submitted to and approved by the Board of Directors; the same shall apply when there is a subsequent change in the transaction terms.

(2) Where the transaction amount reaches NT$1 billion or more, valuations shall be obtained from two or more professional appraisers.

(3) Where the valuation results of professional appraisers fall under any of the following circumstances, except where all valuation results for asset acquisition are higher than the transaction amount, or all valuation results for asset disposal are lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reasons for the discrepancy and the reasonableness of the transaction price:

1. The discrepancy between the valuation result and the transaction amount reaches 20% or more of the transaction amount.

2. The discrepancy between the valuation results of two or more professional appraisers reaches 10% or more of the transaction amount.

(4) The date of the report issued by the professional appraiser and the date of contract execution shall not exceed three months apart. However, if the same period's announced assessed value is applicable and the period does not exceed six months, the original professional appraiser may issue a written opinion.

5. Expert Opinions on Acquisition or Disposal of Securities

When the Company acquires or disposes of securities, the most recent financial statements of the target company audited or reviewed by a CPA shall be obtained prior to the date of the transaction as a reference for evaluating the transaction price. Furthermore, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, a CPA shall be engaged prior to the date of the transaction to provide an opinion on the reasonableness of the transaction price. However, this shall not apply where such securities have publicly quoted prices in an active market or where circumstances conform to regulations stipulated by the Financial Supervisory Commission.

6. Expert Assessment Opinion Reports on Membership Certificates or Intangible Assets

When the Company acquires or disposes of intangible assets, right-of-use assets thereof, or membership certificates where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, except for transactions with domestic government agencies, a CPA shall be engaged prior to the date of the transaction to provide an opinion on the reasonableness of the transaction price.

7. Where the Company acquires or disposes of assets through court auction proceedings, the certification documents issued by the court may be used in lieu of the appraisal report or CPA opinion.

8. The calculation of transaction amounts under items 4 through 6 shall be handled in accordance with the provisions of Article 11, Paragraph 2. The term "within one year" refers to one year traced back from the date on which the current transaction occurs. Portions for which a professional appraiser's valuation report or CPA opinion has already been obtained in accordance with these regulations are exempt from being counted again.

9. Significant transactions involving the acquisition or disposal of assets shall be approved by the Audit Committee and submitted to the Board of Directors for resolution in accordance with relevant regulations.

Article 8: Procedures for Related-Party Transactions

1. When the Company acquires or disposes of assets or right-of-use assets thereof from or to a related party, in addition to following the real estate acquisition procedures set forth in the preceding article, the Company shall also follow the procedures below regarding relevant resolution processes and evaluation of the reasonableness of transaction terms. Where the transaction amount reaches 10% or more of the Company's total assets, a professional appraiser's valuation report or CPA opinion shall also be obtained in accordance with the provisions of the preceding section.

   The calculation of transaction amounts referred to in the preceding paragraph shall be handled in accordance with the provisions of Article 7, Paragraph 8.

   When determining whether a counterparty qualifies as a related party, attention shall be paid not only to its legal form but also to the substance of the relationship.

2. Evaluation and Operational Procedures

   When the Company acquires or disposes of real property or right-of-use assets thereof from/to a related party, or acquires or disposes of assets other than real property or right-of-use assets thereof from/to a related party with a transaction amount reaching 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more, except for the purchase and sale of domestic government bonds, bonds with repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall first be approved by the Audit Committee, and submitted to the Board of Directors for approval before a transaction contract may be signed or payment made:

   (1) The purpose, necessity, and anticipated benefits of the acquisition or disposal of assets.

   (2) The reasons for selecting the related party as the counterparty to the transaction.

   (3) Relevant data for evaluating the reasonableness of the planned transaction terms for acquiring real property or right-of-use assets thereof from a related party, in accordance with Paragraph 3, Subparagraphs (1) and (5) of this Article.

   (4) The date and price of the related party's original acquisition, the counterparty, and its relationship with the Company and the related party.

   (5) A projected monthly cash flow statement for the one-year period beginning from the anticipated month of contract signing, along with an evaluation of the necessity of the transaction and the reasonableness of the use of funds.

   (6) A valuation report issued by a professional appraiser obtained in accordance with Paragraph 1, or a CPA opinion.

   (7) Restrictive conditions and other important agreed matters pertaining to the current transaction.

The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with Article 11, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction, tracing back one year retrospectively, and any portion already submitted to and approved by the Board of Directors in accordance with these Regulations need not be included in the calculation.

When the Company engages in the acquisition or disposal of equipment or right-of-use assets thereof for business use, or right-of-use assets of real property for business use with its Parent company, Subsidiary, or a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, the Board of Directors may, pursuant to the authorization under Article 7, Paragraph 2, authorize the Chairman to make decisions within a certain amount in advance, subject to subsequent ratification at the nearest Board of Directors meeting:

(1) Acquisition or disposal of equipment or right-of-use assets thereof for business use.

(2) Acquisition or disposal of right-of-use assets of real property for business use.

When matters are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each Independent Director shall be given full consideration. If any Independent Director expresses a dissenting or qualified opinion, such opinion shall be recorded in the minutes of the Board of Directors meeting.

Where the Company or its subsidiary that is not a domestic public company engages in a transaction as described in Paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in Paragraph 1 to the Shareholders' Meeting for approval before a transaction contract may be signed or payment made. However, this restriction shall not apply to transactions between the Company and its Parent company, Subsidiary, or between subsidiaries.

The calculation of transaction amounts referred to in Paragraph 2 and the preceding paragraph shall be conducted in accordance with Article 31, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction, tracing back one year retrospectively, and any portion already submitted to and approved by the Shareholders' Meeting, the Board of Directors, or acknowledged by the Audit Committee in accordance with these Regulations need not be included in the calculation.

3. Reasonableness Evaluation of Transaction Costs

(1) When the Company acquires real property or right-of-use assets thereof from a related party, the reasonableness of the transaction cost

shall be evaluated according to the following methods:

1. Based on the related party transaction price plus necessary financing interest and costs legally borne by the buyer. The so-called necessary financing interest cost shall be estimated using the weighted average interest rate of borrowings in the

year the Company purchases the asset, provided that such rate shall not exceed the maximum borrowing interest rate for non-financial industries as announced by the Ministry of Finance.

2. Where the related party has used the subject property as collateral for a mortgage loan from a financial institution, the total appraised lending value of the subject property by the financial institution shall apply, provided that the actual cumulative lending amount by the financial institution against the subject property shall have reached at least 70% of the total appraised lending value and the lending period shall have exceeded one year. However, this shall not apply where the financial institution and one of the transaction parties are related parties to each other.

(2) Where land and buildings of the same subject property are purchased or leased together, the transaction cost of the land and buildings may be evaluated separately using any one of the methods listed in the preceding paragraph.

(3) When the Company acquires real property or right-of-use assets from a related party, the cost of such real property or right-of-use assets shall be evaluated in accordance with Subparagraphs (1) and (2) of Paragraph 3 of this Article, and a CPA shall be engaged to review and provide a specific opinion.

(4) When the Company acquires real property or right-of-use assets from a related party and any of the following circumstances applies, the Company shall proceed in accordance with the evaluation and operational procedures set forth in Paragraphs 1 and 2 of this Article, and the provisions of Subparagraphs (1), (2), and (3) of Paragraph 3 of this Article regarding the assessment of the reasonableness of transaction costs shall not apply:

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

2. More than five years have elapsed between the date on which the related party entered into the contract to acquire the real property or right-of-use assets and the date on which this transaction contract was entered into.

3. A joint construction agreement is entered into with a related party, or the related party is commissioned to construct real property through build-on-own-land or build-on-leased-land arrangements, and the real property is thereby acquired.

4. The Company acquires right-of-use assets of real property for business use from its Parent company, Subsidiary, or a Subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital.

(5) Where the assessed value of real property acquired by the Company from a related party is lower than the transaction price under both the evaluation methods set forth in Subparagraphs (1) and (2) of Paragraph 3 of this Article, the Company shall handle the matter in accordance with Subparagraph (6) of Paragraph 3 of this Article. However, this restriction shall not apply where, due to the following circumstances, objective evidence is provided and specific reasonableness opinions are obtained from a professional real property appraiser and a CPA:

1. Where the related party acquired bare land or leased land and subsequently constructed buildings thereon, evidence may be provided to demonstrate that one of the following conditions is met:

(1) The bare land is evaluated using the methods set forth in the preceding article, and the buildings are valued at the related party's construction cost plus a reasonable construction profit; where the aggregate amount exceeds the actual transaction price. The term "reasonable construction profit" shall be based on whichever is lower: the average gross profit margin of the related party's construction department over the most recent three fiscal years, or the most recently published gross profit margin for the construction industry as announced by the Ministry of Finance.

(2) Other non-related-party transaction cases for other floors of the same subject property or in neighboring areas within one year, where the floor area is similar and the transaction terms are comparable after adjustment for reasonable floor level or area price differentials in accordance with customary practices for real property sale or lease.

2. The Company provides evidence that the transaction terms for the real property purchased from the related party or the right-of-use assets of real property acquired through lease are comparable to other non-related-party transactions in neighboring areas within one year and involve similar floor areas.

The term "neighboring area transaction cases" as used above refers in principle to transactions within the same or adjacent city blocks and within a radius of no more than 500 meters from the subject property, or transactions with similar publicly announced present values; the term "similar floor area" refers in principle to cases where the floor area of other non-related-party transactions is not less than 50% of the floor area of the subject property; the term "within one year" as used above is calculated by tracing back one year from the date on which the fact of the acquisition of the real property or right-of-use assets occurred.

(6) When the Company acquires real property or right-of-use assets from a related party and the evaluation results pursuant to Subparagraphs (1) and (2) of Paragraph 3 of this Article both yield results lower than the transaction price, the Company shall carry out the following:

1. When the Company acquires real property or right-of-use assets from a related party and the evaluation results pursuant to Subparagraphs (i) and (ii) of Paragraph 3 of this Article both yield results lower than the transaction price, the Company shall carry out the following: 1. The Company shall set aside a special reserve with respect to the difference between the transaction price and the evaluated cost of the real property or right-of-use assets in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, and such reserve shall not be distributed or capitalized into shares. If an investor that uses the equity method to account for its investment in the Company is a public company, such investor shall also set aside a special reserve in proportion to its shareholding ratio in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.

2.The Independent Directors of the Audit Committee shall proceed in accordance with Article 218 of the Company Act.

3.The handling of the matters described in the preceding two subparagraphs shall be reported to the Shareholders' Meeting, and the detailed particulars of the transaction shall be disclosed in the annual report and prospectus.

(7) Where the Company has set aside a special reserve pursuant to the aforementioned provisions, such special reserve may not be utilized until the assets acquired or leased at a premium price have been recognized for impairment losses, disposed of, or the lease has been terminated, or appropriate compensation has been made or the original condition restored, or other evidence confirms that there is no irregularity, and approval has been obtained from the Financial Supervisory Commission. Where the Company acquires real property or right-of-use assets from a related party and there is other evidence indicating that the transaction is not conducted on an arm's length basis, the Company shall also proceed in accordance with Subparagraph (6) of Paragraph 3 of this Article.

(8) Where the Company acquires real property or right-of-use assets from a related party and there is other evidence indicating that the transaction is not conducted on an arm's length basis, the Company shall also proceed in accordance with Subparagraph (6) of Paragraph 3 of this Article.

Article 9: Procedures for the Acquisition and Disposal of Derivative Financial Instruments

1. Trading Principles and Policies

(1) Types of Transactions

1. Derivative financial instruments as referred to in Article 4 of these Procedures.

2. Bond margin trading.

(2) Operating (Hedging) Strategy

The Company's engagement in derivative financial instrument transactions shall be for hedging purposes. The instruments selected for trading shall primarily serve to hedge risks arising from the Company's business operations. The currencies held must correspond to the actual foreign currency requirements of the Company's import and export transactions. The principle is to offset positions internally through the Company's overall internal positions (referring to foreign currency income and expenditures), so as to reduce the Company's overall foreign exchange risk and minimize foreign exchange operating costs.

(3) Division of Responsibilities

1. Trading Personnel

   Trading personnel are responsible for the execution of derivative financial instrument transactions, including the collection of relevant data and regulatory information, the design of hedging strategies, and the disclosure of risks. Prior to executing transactions, they shall understand the Company's management policies and philosophy, assess market trends and risks, and submit recommendation reports on positions and hedging methods in accordance with the Company's operating strategy for approval by the authorized Supervisor before execution.

2. Transaction Confirmation Personnel

   Responsible for confirming the accuracy of transactions with the corresponding banks and affixing the company seal on the transaction confirmation letters before returning them.

3. Settlement Personnel

   Responsible for the settlement of derivative financial instrument transactions, and for periodically reviewing cash flow status to ensure that the contracted transactions can be settled as scheduled.

4. Accounting Personnel

   Shall, in accordance with relevant regulations (such as Statements of Financial Accounting Standards), accurately and appropriately reflect hedging transactions and their profit and loss results in the financial statements.

(4) Performance Evaluation

1. The performance of hedging transaction operations shall be measured and evaluated based on the hedging strategy. The Finance Department shall review operational performance through mark-to-market assessment every two weeks, and shall submit the previous month's operational performance to the Chairman or their authorized senior management personnel within the first week of each month.

2. The Finance Department shall provide evaluations of foreign exchange positions along with foreign exchange market trends and market analysis. During periodic assessments and reviews, if any abnormalities are identified, necessary response measures shall be taken immediately and reported to the Chairman or their authorized senior management personnel.

(5) Establishment of Total Contract Amount and Loss Limits

1. Total Contract Amount

1.1 Hedging Transaction Limit

The total outstanding balance of all hedging contracts held by the Company at any point in time shall not exceed the hedging requirements arising from actual transactions within one year. The outstanding balance of individual contracts shall be limited to USD **5,000,000** or the equivalent in foreign currency.

2.2 Speculative Transaction Limit

The Company does not engage in speculative trading operations.

2. Setting of Loss Limits

For derivative financial instrument transactions, the loss limit for all or individual contracts shall not exceed 20% of the total or individual contract amount.

2. Risk Management Measures

(1) Credit Risk Management

The Company's trading counterparties shall be limited in principle to banks with which the Company has existing business relationships or internationally renowned financial institutions that are capable of providing professional information.

(2) Market Risk Management

The Company's derivative financial instrument transactions are limited to hedging purposes, and no speculative financial operations shall be conducted.

(3) Liquidity Risk Management

To ensure market liquidity, priority shall be given to financial products with higher liquidity (i.e., positions that can be closed out in the market at any time) when selecting financial products. The financial institutions entrusted with transactions must have sufficient information and the ability to conduct transactions in any market at any time.

(4) Cash Flow Risk Management

To ensure the stability of the Company's working capital turnover, the funding source for the Company's derivative transactions shall be limited to its own funds, and the transaction amount shall take into account the funding requirements based on future cash inflow and outflow forecasts.

(5) Operational Risk Management

1. The Company's authorized limits and operational procedures shall be strictly adhered to, and internal audit shall be incorporated, in order to avoid operational risks.

2. Personnel engaged in derivative transactions shall not concurrently serve as personnel responsible for confirmation, settlement, or other operational functions.

3. Personnel responsible for risk measurement, monitoring, and control shall belong to a different Department from those mentioned in the preceding paragraph, and shall report to the Board of Directors or to senior management personnel who are not responsible for trading or position-making decisions.

4. Positions held in derivative transactions shall be evaluated at least once per week; however, hedging transactions conducted for business purposes shall be evaluated at least twice per month, and the evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

(6) Commodity Risk Management

Internal trading personnel shall possess complete and accurate professional knowledge of financial products, and banks shall be required to fully disclose risks, in order to avoid the risk of misuse of financial products.

(7) Legal Risk Management

Documents signed with financial institutions shall be reviewed by specialized personnel in foreign exchange, legal affairs, or legal counsel before formal execution, in order to avoid legal risks.

3. Internal Audit System

Internal Auditors shall regularly assess the adequacy of internal controls over derivative transactions, and shall monthly verify the compliance of trading departments with the procedures for handling derivative transactions and analyze the transaction cycles, and prepare audit reports. If any material violations are discovered, the Audit Committee shall be notified in writing.

4. Periodic Evaluation Methods

(1) The Board of Directors shall authorize senior management personnel to regularly monitor and evaluate whether derivative transactions are conducted strictly in accordance with the Company's established transaction procedures, and whether the risks assumed are within the permissible scope. When abnormal conditions arise in market value evaluation reports (e.g., when held positions have exceeded the loss limit), an immediate report shall be made to the Board of Directors and appropriate response measures shall be taken.

(2) Positions held in derivative transactions shall be evaluated at least once per week; however, hedging transactions conducted for business purposes shall be evaluated at least twice per month, and the evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

5. Principles for Supervision and Management by the Board of Directors

(1) The Board of Directors shall designate senior management personnel to monitor and control the risks of derivative transactions at all times. The management principles are as follows:

1. Regularly evaluate whether the current risk management measures are appropriate and whether they are being carried out in accordance with this procedure.

2. Monitor trading and profit and loss conditions. When abnormal situations are identified, necessary response measures shall be taken and an immediate report shall be made to the Board of Directors. The Board of Directors meeting shall be attended by Independent Directors who shall express their opinions.

(2) Periodically evaluate whether the performance of derivative transactions is consistent with the established business strategy and whether the risks assumed are within the scope acceptable to the Company.

(3) When the Company engages in derivative transactions and relevant personnel are authorized to handle such transactions in accordance with this procedure, the matter shall subsequently be submitted to the most recent Board of Directors meeting for reference.

6. Establishment of a Reference Register

When engaging in derivative financial instrument transactions, the Company shall maintain a reference register, in which it shall record in detail the types and amounts of derivative financial instrument transactions entered into, the dates of Board of Directors approval, and the matters subject to careful evaluation pursuant to Subparagraph (2) of Paragraph 4 and Subparagraphs (1) and (2) of Paragraph 5 of this Article.

Article 10: Procedures for Handling Mergers, Demergers, Acquisitions, or Share Transfers

1. Determination of Share Exchange Ratio or Acquisition Price

Companies participating in a merger, demerger, acquisition, or share transfer shall, prior to the Board of Directors meetings of both parties, engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to Shareholders, and submit such opinion to the Shareholders' Meeting.

A public company merging with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital may be exempted from obtaining a reasonableness opinion from experts such as a CPA, attorney, or securities underwriter.

2. Dates of Board of Directors and Shareholders' Meetings

If the Shareholders' Meeting of any one of the companies participating in a merger, demerger, or acquisition cannot be convened or resolved due to insufficient attendance, insufficient voting rights, or other legal restrictions, or if a resolution is rejected by the Shareholders' Meeting, the companies participating in the merger, demerger, or acquisition shall immediately make a public explanation of the cause, subsequent handling procedures, and the scheduled date of the Shareholders' Meeting.

Unless otherwise provided by other laws or regulations, or unless special circumstances have been reported in advance to and approved by the Financial Supervisory Commission (FSC), companies participating in a merger, demerger, or acquisition shall convene their Board of Directors meetings and Shareholders' Meetings on the same day to resolve matters related to the merger, demerger, or acquisition.

Unless otherwise provided by other laws or regulations, or unless special circumstances have been reported in advance to and approved by the FSC, companies participating in a share transfer shall convene their Board of Directors meetings on the same day.

When the Company participates in a merger, demerger, acquisition, or share transfer involving a listed company or a company whose shares are traded on a securities dealer's premises, it shall prepare complete written records of the following information, retain such records for five years, and make them available for inspection:

(1) Basic personal information: including the titles, names, and national ID numbers (or passport numbers for foreign nationals) of all persons who participated in the planning or execution of the merger, demerger, acquisition, or share transfer prior to public disclosure of the information.

(2) Key event dates: including the dates of signing letters of intent or memoranda of understanding, engagement of financial or legal advisors, execution of contracts, and Board of Directors meetings.

(3) Important documents and minutes: including the merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda of understanding, important contracts, and Board of Directors meeting minutes.

When the Company participates in a merger, demerger, acquisition, or share transfer involving a listed company or a company whose shares are traded on a securities dealer's premises, it shall, within two days commencing from the date of approval by the Board of Directors, report the information specified in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation via the internet information system in the prescribed format.

If any company participating in the merger, demerger, acquisition, or share transfer is not a listed company or a company whose shares are traded on a securities dealer's premises, the Company shall enter into an agreement with such company and handle the matter in accordance with the provisions of Subparagraphs 1 through 3 of Paragraph 4.

3. Pre-Event Confidentiality Commitment

   All persons who participate in or have knowledge of the Company's merger, demerger, acquisition, or share transfer plan shall provide a written confidentiality commitment, and shall not disclose the contents of the plan prior to public announcement, nor shall they personally or through others trade shares or other equity-type securities of any company involved in the merger, demerger, acquisition, or share transfer.

4. Principles for Modifying the Share Exchange Ratio or Acquisition Price

   The share exchange ratio or acquisition price shall in principle not be arbitrarily modified; however, this restriction shall not apply where the conditions for modification have been stipulated in the contract and publicly disclosed. The conditions under which the share exchange ratio or acquisition price may be modified are as follows:

   (1) Conducting a cash capital increase, issuance of convertible bonds, distribution of bonus shares, issuance of bonds with warrants, preferred shares with warrants, stock warrants, or other equity-type securities.

   (2) Disposal of major assets or other acts that affect the financial or business operations of the company.

   (3) Occurrence of major disasters, significant technological changes, or other events that affect Shareholders' equity or securities prices.

   (4) Adjustments resulting from the repurchase of treasury shares by any one of the companies participating in the merger, demerger, acquisition, or share transfer in accordance with applicable laws.

   (5) An increase or decrease in the number of entities or parties participating in the merger, demerger, acquisition, or share transfer.

   (6) Other conditions that may be amended as stipulated in the contract and have been publicly disclosed.

5. Matters to be Included in the Contract

   In addition to the requirements set forth in the Company Act and relevant regulations, contracts for mergers, demergers, acquisitions, or share transfers shall also specify the following matters:

   (1) Handling of breaches of contract.

   (2) Principles for handling equity-based securities previously issued or treasury shares previously repurchased by companies that are dissolved or demerged as a result of a merger.

   (3) The quantity of treasury shares that participating companies may repurchase in accordance with applicable laws after the base date for calculating the share exchange ratio, and the principles for handling such shares.

   (4) The method for handling any increase or decrease in the number of participating entities or parties.

(5) The estimated progress of the plan and the estimated completion schedule.

(6) Relevant procedures, including the scheduled date for convening a Shareholders' Meeting as required by law and regulations, in the event the plan is not completed within the prescribed timeframe.

6. Changes in the Number of Companies Participating in a Merger, Demerger, Acquisition, or Share Transfer

If any party participating in a merger, demerger, acquisition, or share transfer intends to engage in another merger, demerger, acquisition, or share transfer with another company after the information has been publicly disclosed, all procedures or legal acts already completed under the original merger, demerger, acquisition, or share transfer shall be repeated by all participating companies, except where the number of participating parties decreases and the Shareholders' Meeting has resolved to authorize the Board of Directors to make such changes, in which case the participating companies may be exempt from convening a new Shareholders' Meeting to pass a new resolution.

7. Where any company participating in a merger, demerger, acquisition, or share transfer is not a publicly listed company, the Company shall enter into an agreement with such company and shall comply with the provisions of Paragraph 2 of this Article regarding the date for convening a Board of Directors meeting, Paragraph 3 regarding pre-disclosure confidentiality commitments, and Paragraph 6 regarding changes in the number of companies participating in the merger, demerger, acquisition, or share transfer.

Article 11: Public Information Disclosure Procedures

1. When the Company acquires or disposes of assets under any of the following circumstances, it shall input the relevant information into the Market Observation Post System within two days from the date the fact occurs, in accordance with the prescribed format based on the nature of the transaction:

(1) Acquiring or disposing of real property or right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real property or right-of-use assets thereof from or to a related party, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more. However, this shall not apply to the purchase and sale of domestic government bonds, bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(2) Conducting a merger, demerger, acquisition, or share transfer.

(3) Losses from derivatives transactions reaching the maximum loss limit for all contracts or individual contracts as specified in the established handling procedures.

(4) The type of assets acquired or disposed of

constitutes equipment used for business operations or right-of-use assets thereof, where the counterparty is not a related party, and the transaction amount meets any of the following criteria:

1. Where the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.

2. Where the Company's paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.

(5) Acquiring real property through owner-commissioned construction, land-lease commissioned construction, joint construction with separate units, joint construction with shared proceeds, or joint construction with separate sales, where the counterparty is not a related party and the transaction amount the Company expects to invest reaches NT$500 million or more.

(6) Asset transactions other than those mentioned in the preceding five subparagraphs, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, the following circumstances shall not apply to this limitation:

1. Purchase and sale of domestic government bonds or foreign government bonds with a credit rating no lower than the sovereign credit rating of the Republic of China.

2. Purchase and sale of bonds with repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(7) Regarding the provision of 10% of total assets, the total asset amount shall be calculated based on the most recent individual or separate financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. The transaction amount referred to in the preceding paragraph shall be calculated in accordance with the following methods. The term "within one year" shall be calculated by reference to the date on which the current transaction occurs, tracing back one year from that date. Amounts that have already been publicly announced in accordance with applicable regulations need not be included in the calculation.

(1) The amount of each individual transaction.

(2) The accumulated amount of transactions involving the acquisition or disposal of assets of the same nature with the same counterparty within one year.

(3) The accumulated amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of real property or right-of-use assets under the same development project within one year.

(4) The accumulated amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of the same securities within one year.

3. The Company shall input the status of derivative transactions conducted by the Company and its subsidiaries that are not domestic public companies up to the end of the previous month into the Market Observation Post System in the prescribed format before the 10th of each month.

4. If any items that the Company is required to announce pursuant to the regulations contain errors or omissions and need to be corrected, all items shall be re-announced and reported within two days from the date on which the error or omission is discovered.

5. When the Company acquires or disposes of assets, it shall keep relevant contracts, minutes, reference register, appraisal reports, and opinion letters from CPAs, attorneys, or securities underwriters at the Company, and unless otherwise provided by other laws, such documents shall be retained for at least five years.

6. After the Company announces and reports a transaction pursuant to the preceding article, if any of the following circumstances occurs, the Company shall announce and report the relevant information on the Market Observation Post System within two days from the date on which the fact occurs:

(1) Any amendment, termination, or rescission of the relevant contract signed for the original transaction.

(2) A merger, demerger, acquisition, or share transfer is not completed according to the schedule stipulated in the contract.

(3) Any change to the content of the original announcement and report.

Article 12: The subsidiaries of the Company shall comply with the following provisions:

1. Each subsidiary of the Company shall handle the acquisition or disposal of assets in accordance with these Procedures. However, this does not apply to subsidiaries that have already established their own Procedures for the Acquisition and Disposal of Assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

2. For subsidiaries that have established their own Procedures for the Acquisition and Disposal of Assets as described in the preceding paragraph, any establishment, amendment, or abolition of such "Procedures for the Acquisition and Disposal of Assets" shall be implemented after a resolution is passed by the subsidiary's Director(s) or Board of Directors and/or Shareholders' Meeting.

3. The Company shall oversee and require its subsidiaries to conduct self-assessments to verify whether their established operating procedures comply with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," and whether asset acquisition and disposal matters are handled in accordance with such established operating procedures.

4. The Company's internal audit shall review the self-inspection reports of Subsidiaries.
5. Where a Subsidiary is not a publicly listed company and the acquisition or disposal of assets reaches the announcement and reporting threshold as set forth in Article 12 of these Procedures, the Company shall also handle the announcement and reporting matters on behalf of such Subsidiary.
6. The announcement and reporting threshold for Subsidiaries shall be based on the paid-in capital or total assets of the Company.

Article 13: Penalties

Employees of the Company who handle the acquisition and disposal of assets in violation of these Procedures shall be subject to performance review in accordance with the Company's Employee Handbook and penalized based on the severity of the circumstances.

Article 14: Implementation and Amendment

These Procedures shall be approved by the Audit Committee, followed by the Board of Directors, and then submitted to the Shareholders' Meeting for approval before implementation. The same process shall apply when amendments are made.