



Taiwan Hon Chuan Enterprise Co., Ltd

Procedures for Acquisition or Disposal of Assets

Date : 2022.06.17 (Amended)

Article 1 The “Procedures for Acquisition or Disposal of Assets” (“Procedures”) are adopted and amended in accordance with the provisions of Article 36-1 of the Securities and Exchange Act, and the provisions of No.1020053073 of the Financial Supervisory Commission on 30th December 2013.

Article 2 Scope of Assets

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 products.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.



Article 3 Operation Procedures

1. Authority Levels and Transaction Process

Before acquisition or disposal of the said assets, the Company shall estimate and approve in accordance with regulations of internal control policy of the Company. The units responsible for implementation shall submit the reason of acquisition or disposal, property analysis, counterpart of the transaction and price reference, which are in accordance with related acquisition or disposal evaluation, to general manager for decision. The Company's acquisition or disposal of the said assets shall be approved by the Board of Directors. The general manager may be authorized for a certain monetary limit, which shall be ratified subsequently by the Board of Directors.

2. Division Responsible for Implementation

2-1 Acquisition or disposal of long-term or short-term securities:
Finance Department or other related Department.

2-2 Acquisition or disposal of real estate and equipment: General Affairs Department, Finance Department or other related Department.

3. Authorized Amounts

3-1 The total amount of purchasing real property and right-of-use assets for non-operating purpose shall not exceed 20% of the shareholders' equity of the Company.

3-2 The total amount of investing long-term or short-term securities shall not exceed 50% of the shareholders' equity of the Company.

3-3 The total amount of investing in any individual security shall not exceed 20% of the shareholders' equity of the Company.

3-4 For any subsidiary of the Company, the upper limits on total amount of purchasing real property and right-of-use assets for non-



operating purpose or total amount of investing long-term or short-term securities, and total amount of investing in any individual security shall be the same as those of the Company.

Article 4 Appraisal Procedures

1. In acquisition or disposal of Real Property, equipment or its right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, unless otherwise transacting with a government agency, engaging others to build on the land owned or rented by the Company, or acquiring or disposing of equipment or its right-of-use assets for operating purpose, the Company (including the subsidiaries) shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions:
 - 1-1 In principle, normal price shall be the reference basis for appraisal price. Where it gives a limited price, specified price or special price, shall note whether it is in accordance with the regulation of Article 10 or 11 of Technical Standard for Land Valuation. Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted to the Audit Committee for approval in advance, and be approved by the Board of Directors and reported on the next shareholders' meeting. The same procedure shall be followed for any future changes to the terms and conditions of the transaction. Appraisal report shall evaluate respectively the appraisal results of normal price, limited price or specified price and list in detail the limited or specified condition, and whether it meets the current condition or not. It shall also explain the reason and rationality of the discrepancy with normal price, and express clearly whether that limited price or specified price may be a reference basis for transaction price.
 - 1-2 If the discrepancy between the appraisal result of professional appraiser and the transaction amount reaches 20% or more of the transaction amount, unless all the appraisal results for the assets to



be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company should request a certified public accountant to comply with the self-regulatory rules of the industry associations to which they belong and comment on the reason for the discrepancy and the fairness of the transaction amount. The discrepancy between the appraisal result and the transaction amount should be calculated based on the transaction amount.

- 1-3 Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. If the discrepancy between the appraisal results of two or more professional appraisers reaches 10% or more of the transaction amount, or the discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company should request a certified public accountant to comply with the self-regulatory rules of the industry associations to which they belong and comment on the reason for the discrepancy and the fairness of the transaction amount.
- 1-4 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and execution date of the contract; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- 1-5 Except where a limited price or specified price as the reference basis for the transaction price, an appraisal report or the certified public accountant's opinion under subparagraph 2.3 of the preceding paragraph, if not obtained for some legitimate reasons, shall be obtained within 2 weeks counting inclusively from the date of occurrence. Also, the Company shall announce subsequently the original price and appraisal results. In circumstance of



subparagraph 2.3 of the preceding paragraph, the Company shall also announce the reasons of discrepancy and the certified public accountant's opinions.

1-6 In case the appraisal institute issues "Current Value Evaluation Report" or "Evaluation Report" to replace appraisal report, the content shall still in accordance with the provisions of preceding appraisal report.

1-7 Appointed appraisal institute and its appraisers shall not be the related party or substantial related party which defined in Statement of Auditing Standards No.6 to transaction counterpart.

2. The latest financial statements of the target company audited or reviewed by the certified public accountants shall be obtained prior to occurrence of the event for use as a reference to determine the transaction price of any acquisition or disposal of the securities.

If one of the following circumstances exists, A certified public accountant shall be retained to issue a fairness opinion on the transaction price prior to occurrence of such event, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, shall comply with the self-regulatory rules of the industry associations to which they belong.

2-1 Acquisition or disposal of securities which is not purchased and sold in Taiwan Stock Exchange Corporation or Gre Tai Securities Market.

2-2 Acquisition or disposal of private placements of securities.

3. Where the Company acquires or disposes of intangible assets, its right-of-use assets or memberships and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, unless otherwise transacting with a government agency, the Company shall engage a certified public accountant prior to the Date of Occurrence to render an opinion on the reasonableness of the transaction price.



4. Where the Company acquires or disposes of assets through court auction procedures, the appraisal report or the certified public accountant's opinion can be replaced by documents issued by the courts.
5. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
 - 5-1 May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 - 5-2 May not be a related party or de facto related party of any party to the transaction.
 - 5-3 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 accurate, and that they have complied with applicable laws and regulations.
6. The transaction amounts referred to in the preceding paragraph shall be calculated in accordance with Article 8-2 herein, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a certified public accountant's opinion has been obtained may be excluded.

Article 5 Related Party Transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions.

The calculation of the transaction amounts referred to in the preceding articles shall be made in accordance with Article 8-2 herein, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a certified public accountant's opinion has been obtained may be excluded.

2. When the Company intends to acquire or dispose of real property or its right-of-use assets from or to a related party, or when it intends to acquire



or dispose of assets other than real property or its right-of-use assets from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading in government bonds, bond trading with repurchase and/or reverse purchase arrangement, or subscription or redemption of domestic money market funds which issued by Domestic Securities Investment Trust Enterprises, the Company may not proceed to enter into a transaction contract and make a payment until the following matters have been approved by the Audit Committee and the Board of Directors:

- 2-1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- 2-2 The reason for choosing the related party as a trading counterparty.
- 2-3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 4.
- 2-4 The date and price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to this Company and the related party.
- 2-5 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.
- 2-6 An appraisal report from a professional appraiser or an opinion by the certified public accountant obtained in compliance with the preceding article.
- 2-7 Restrictive covenants and other important stipulations associated with the transaction.



The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 8-2 herein, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the Board of Directors may be excluded.

With respect to the types of transactions listed below, when to be conducted between the Company and parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may pursuant to Article 3, paragraph 1 delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified at the next Board of Directors' meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

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 public 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 amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.



3. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - 3-1 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.
 - 3-2 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 transaction counterparties.

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

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a certified public accountant to check the appraisal and render a specific opinion.

Where one of the following conditions exists, the Company shall exempt from engaging a certified public accountant to check the appraisal and render a specific opinion:

1. The related party acquires real estate or its right-of-use assets



through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the Company with parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
4. Where the Company acquires real property or its right-of-use assets from a related party and the results of appraisals conducted in accordance with the relevant provisions are both lower than the transaction price, the following steps shall be taken:
 - 4-1 A special reserve shall be set aside in accordance with regulations against the difference between the real property or its right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. If the Company's investor is a public company that uses the equity method to account for its investment in the Company, a special reserve shall be also set aside pro rata in a proportion consistent with such investor's shareholding in the Company.
 - 4-2 The Audit Committee shall handle the relevant matters in accordance with Article 218 of Taiwan Company Act.
 - 4-3 Actions taken pursuant to subparagraph 1 and 2 of this Article shall be reported to the shareholders' meeting, and the details of the transactions shall be disclosed in the annual report and the



prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the real property it purchased or leased at a premium or such real property has been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and Financial Supervisory Commission(FSC) has given its consent.

When the Company obtains real property or its right-of-use assets from a related party, it shall also comply with this Article if there is other evidence indicating that the acquisition was not an arms' length transaction..



Article 6 Transaction of Derivatives Products

The Company's derivatives transactions shall be in compliance with the Company's "Procedures for Trading Derivatives".

Article 7 Merger, Spin-off, Acquisition, and transfer of shares

1. The Company that conducts a merger, spin-off, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a certified public accountant, lawyer, 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 discussion and approval.

Where the Company merges the subsidiary, or merges between the subsidiaries, in which the Company owns, directly or indirectly, 100% of issued shares or capital; thereof shall not obtain the said opinion on the reasonableness issued by experts.

When participating in a merger, spin-off, acquisition or transfer of shares, the Company shall prepare a report to the shareholders that contain material contractual terms and conditions and matters relevant to the merger, spin-off or acquisition prior to the shareholders meeting and deliver to shareholders such report together with shareholders meeting notice and the expert opinion referred to in the preceding paragraph for shareholders' reference. However, the above requirement shall not apply if the merger, spin-off or acquisition is exempted by law from obtaining the shareholders' approval. Where the shareholders meeting of any one of the companies participating in a merger, spin-off or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, spin-off or acquisition shall immediately explain to the public the reason, the follow-up measures and the preliminarily scheduled date of the next shareholders' meeting.



2. The Company shall convene the Board of Directors' meeting and the shareholders' meeting on the same date(s) to resolve matters relevant to the merger, spin-off or acquisition, unless other applicable laws provide otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on the OTC market shall prepare a full written record of the following information and keep it for five years for reference:

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

When participating in a merger, spin-off,, acquisition, or transfer of shares, the Company that is listed on an exchange or has its shares traded on the OTC market shall, within 2 days commencing immediately from the date of a passage of the resolution by the Board of Directors, submit the information set out in subparagraphs 1 and 2 of the preceding paragraph in the prescribed format and via the Internet-based information system to the FSC for reference.

Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is neither listed on an exchange nor has



its shares traded on the OTC market, the Company shall sign a contract with such compan(ies) whose shares are not listed or traded and shall abide by this provision.

3. When participating in a merger, spin-off, acquisition, or transfer of shares, the Company may not arbitrarily amend the share exchange ratio or acquisition prices unless under the circumstances listed below, and shall stipulate the circumstances permitting amendment in the contract for the merger, spin-off, acquisition, or transfer of shares:
 - 3-1 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.
 - 3-2 An action which affects the Company's financial condition and business operations, such as disposal of major assets.
 - 3-3 An event which affects shareholders equity or share prices, such as a major disaster or major change in technology.
 - 3-4 An adjustment which is made by any of the companies, who participates in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
 - 3-5 An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
 - 3-6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

The Contract of merger, spin-off, acquisition, or transfer of shares shall record relevant matters in accordance with provisions, in order to protect interests of participating companies.



Article 8 The procedures for Public Announcement

Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by laws and regulations within two days commencing immediately from the Date of Occurrence:

1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this requirement shall not apply to transactions of selling or purchasing domestic government bonds or bonds with call or put options, or subscription or redemption of domestic money market funds which issued by Domestic Securities Investment Trust Enterprises.
2. Engaging in merger, spin-off, acquisition, or transfer of shares.
3. Losses from derivatives products transactions reaching the limits on aggregate losses or losses on individual contracts as provided in relevant procedures by the Company.
4. Where acquired or disposed is equipment or its right-of-use assets for operating purpose, the transaction counterparty is not a related party, and the transaction amount meets one of the following provision:
 - 4-1 While the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 4-2 While the Company's paid-in capital is more than NT\$10 billion, the transaction amount reaches NT\$1 billion or more.
5. Acquisition or disposal by a public 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 public 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, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
7. Where an asset transaction other than any of those referred to in the previous 6 subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - 7-1 Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - 7-2 Where done by professional investors—securities trading on foreign or domestic securities exchanges or over-the-counter markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.



7-3 Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds which issued by Domestic 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 asset with the same trading counterparty within one year.
3. The cumulative transaction amount of real property or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

"Within one 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.

The Company shall compile monthly reports on the status of derivatives products trading engaged in up to the end of the preceding month by itself 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 within 2 days commencing immediately from the Date of Awareness.

The relevant contracts, meeting minutes, log books, appraisal reports and opinions of the CPA, lawyer and securities underwriter in connection with the Company's acquisition or disposal of assets shall be kept at the Company for



at least five years, unless otherwise provided by applicable laws.



Article 9 Reporting Matters of Subsidiary

1. The Company's subsidiary shall abide by the provisions of the parent company while making acquisition or disposal.
2. Information required be publicly announcing and reporting in accordance with the provisions of Article 8 on acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the parent company.
3. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary requires a public announcement and regulatory filing.

"The subsidiary" refers to the investee company in which the Company owns directly 50% or more of issued voting shares; or each investee company in which the Company, through the subsidiary, owns indirectly 50% or more of issued voting shares, others and so on; or each investee company in which the Company owns directly and, through the subsidiary, indirectly 50% or more of issued voting shares, others and so on.

Article 10 Matters not provided herein shall be governed by the relevant laws and regulations and relevant internal rules of the Company.

Article 11

1. The Procedures shall be approved by the Audit Committee and submitted to the Board of Directors for further approval and reported to the most recent shareholders' meeting for approval. The same applies when the procedures are amended. If a director holds dissenting opinions of Company's matters and there were records for it or in written statement, the Company shall submit materials of the director's dissenting opinions to the shareholders' meeting for discussion.
2. If the Company has elected independent directors in accordance with relevant law, when the Procedures are submitted to board of directors' meeting for discussion as required by preceding paragraph, the Board of



Directors shall fully take each independent director's opinions into consideration. 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.