Procedures for Acquisition or Disposal of Assets
of
Jia Jie Biomedical Company Limited
(The "Company")

Article 1

To safeguard investors and ensure transparency of information, the Company shall acquire or dispose of assets in accordance with these Procedures.

Article 2

These Procedures are established pursuant to Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act").

Article 3

"Assets" used herein means:

(1) securities investments (including equities, bonds, corporate bonds, bank indentures, security interest in funds, depository receipts, warrants, beneficiary securities, asset-based securities, etc.);
(2) real estate (including lands, plants and buildings and investment property) and equipment;
(3) memberships;
(4) patents, copyrights, trademarks, franchise rights as intangible assets;
(5) right-of-use assets;
(6) claims of financial institutions (including accounts receivable, foreign exchange bills purchased, loans, and collections);
(7) derivatives products;
(8) assets that are acquired or disposed through mergers, spin-offs, acquisitions or share transfers;
(9) other major assets.

Article 4

The evaluation procedures of the Company's asset acquisition or disposal are as follows:

1. When acquiring or disposing of marketable securities not traded on centralized exchanges or through securities firms, the Company shall take into consideration factors such as the securities' net asset value per share, profitability, future development potential, prevailing market interest rates, bond coupon rates, the

debtor’s creditworthiness, and the transaction price agreed upon at the time of the deal.

2. The acquisition or disposal of marketable securities traded on centralized exchanges or through securities firms shall be determined based on the prevailing market price of the stocks or bonds at the time of the transaction.
3. The acquisition or disposal of other assets referred to in the preceding two items shall be conducted through one of the following methods: price inquiry, price comparison, negotiation, or public tender. The transaction price shall be determined with reference to the publicly announced current value, appraised value, or actual transaction prices of neighboring real estate. If the transaction meets the materiality threshold requiring public disclosure under these Procedures, the Company shall also refer to the appraisal report issued by a professional appraiser.

Article 5

The procedures for the acquisition or disposal of assets by the Company are as follows:

1. When acquiring or disposing of assets, the responsible unit shall evaluate the purpose of the proposed acquisition or disposal, the subject matter, the transaction counterparty, the transfer price, payment terms, and the basis for determining the price. The evaluation results shall be submitted to the competent authority for approval, and the execution shall be carried out by the management department. All relevant matters shall be handled in accordance with the Company’s internal control system and these Procedures.
2. The department responsible for the execution of the Company’s short-term and long-term marketable securities investments shall be the Finance Department. For real estate, equipment, or right-of-use assets, the responsible units shall be the user department and other relevant competent units. For other assets that do not fall within the categories of marketable securities, real estate, equipment, or right-of-use assets, the relevant executing department shall conduct an evaluation before proceeding with the transaction.
3. All procedures relating to the acquisition or disposal of assets shall be conducted in accordance with the relevant provisions of the Company’s internal control system. In the event of any material violation, the responsible personnel shall be subject to disciplinary action according to the severity of the violation.

Article 6

The acquisition or disposal of the Company's assets shall be approved by the competent authority within the scope of its delegated authority.

1. The acquisition or disposal of long-term marketable securities and real estate shall be conducted upon approval by the Board of Directors. However, if the Company's most recent self-prepared financial statements show that the ratio of total liabilities to total assets is below 35%, the Board of Directors may delegate authority to the Chairman to approve transactions with an amount up to NT$50 million, which shall be subsequently reported to the Board of Directors for ratification.
2. The acquisition or disposal of short-term marketable securities and equipment or right-of-use assets with a transaction amount of up to NT$30 million may be approved by the President. Transactions exceeding NT$30 million but not exceeding NT$100 million shall be approved by the Chairman. For transactions exceeding NT$100 million, approval by the Board of Directors shall be required.

Article 7

The Company may purchase real estate and its right-to-use assets or marketable securities not intended for business use. The total amount of investment shall not exceed 100% of the total assets. The investment in marketable securities shall not exceeding 100% of the total assets, and the investment in individual marketable securities not exceeding 50% of the total assets.

Article 8

When the Company acquires or disposes of assets under any of the following circumstances, it shall, in accordance with the nature of the transaction and the prescribed format, make a public announcement and file a report on the website designated by the Financial Supervisory Commission (FSC) within two days from (and excluding) the date of occurrence of the event:

1. Acquisition or disposal of real estate or right-of-use assets from or to a related party, or acquisition or disposal of other assets (excluding real estate or right-of-use assets) 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, transactions involving domestic government bonds, bonds with repurchase or resale conditions, or subscriptions to or redemptions of money market funds issued by domestic securities investment trust enterprises are excluded from this requirement.

2. Merger, demerger, acquisition, or share transfer.

3. Derivative transactions where the loss reaches the total or individual contract loss limit as set forth in the Company's procedures for handling derivatives trading.

4. Acquisition or disposal of equipment or right-of-use assets for business use where the transaction counterparty is not a related party, and the transaction amount meets one of the following criteria:
   (1) For a public company with paid-in capital less than NT$10 billion, the transaction amount reaches NT$500 million or more.
   (2) For a public company with paid-in capital of NT$10 billion or more, the transaction amount reaches NT$1 billion or more.

5. For a public company engaged in the construction business, acquisition or disposal of real estate or right-of-use assets for construction use from or to a non-related party where the transaction amount reaches NT$500 million or more; provided, however, that for a company with paid-in capital of NT$10 billion or more, the disposal of self-developed and completed construction projects to a non-related party shall be reported if the transaction amount reaches NT$1 billion or more.

6. Acquisition of real estate through joint construction projects (including joint construction on the Company's own land, on leased land, joint construction with unit sharing, joint construction with profit sharing, or joint construction for sale) with a non-related party, where the Company's total expected investment amount reaches NT$500 million or more.

7. Any other asset transaction, disposition of creditor's rights by a financial institution, or investment in Mainland China not covered by the preceding six items, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, the following transactions are excluded:
   (1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of the Republic of China (Taiwan).
   (2) For entities engaged in investment as a professional business, trading of marketable securities on stock exchanges or over-the-counter markets, or subscription in the primary market for foreign government bonds, straight corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds); subscriptions to or redemptions of securities investment trust funds or futures trust funds; subscriptions to or redemptions of exchange-traded funds (ETFs); or securities subscriptions made by securities firms for underwriting purposes or as advisory-designated securities firms for

emerging-stock companies in accordance with the Taipei Exchange's regulations.

(3) Trading of bonds with repurchase or resale conditions, or subscriptions to or redemptions of money market funds issued by domestic securities investment trust enterprises.

The transaction amounts referred to in the preceding paragraph shall be calculated as follows:

1. The amount of each individual transaction.
2. The cumulative amount of acquisitions or disposals of the same type of asset with the same counterparty within one year.
3. The cumulative amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of real estate or right-of-use assets related to the same development project within one year.
4. The cumulative amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of the same marketable security within one year.

The term "within one year" refers to the one-year period retroactively calculated from the date of occurrence of the current transaction. Any portion that has already been publicly announced in accordance with these Procedures need not be included in the calculation again.

The Company shall, by the 10th day of each month, input into the information reporting website designated by the Financial Supervisory Commission (FSC) the details of derivative transactions conducted by the Company and its non–publicly traded domestic subsidiaries up to the end of the preceding month, using the prescribed format.

If the Company is required to make a public announcement under these Procedures and subsequently discovers any errors or omissions in the announced information, it shall make a complete correction and reannouncement within two days from the date of awareness.

The Company shall keep on file all relevant documents related to the acquisition or disposal of assets, including contracts, minutes, reference books, appraisal reports, and opinions issued by certified public accountants, attorneys, or securities underwriters. Unless otherwise required by law, such records shall be retained for a minimum of five years.

Article 9

After the Company has made a public announcement and filing pursuant to the preceding article, if any of the following events occurs, the Company shall, within two days from (and excluding) the date of occurrence, make a public announcement and file a report on the website designated by the Financial Supervisory Commission (FSC):

1. Any change, termination, or cancellation of the original transaction contract.
2. Failure to complete a merger, demerger, acquisition, or share transfer according to the schedule specified in the contract.
3. Any change in the content of the original public announcement or filing.

Article 10

When the Company acquires or disposes of real estate, equipment, or right-of-use assets—except in transactions with domestic government agencies, joint construction projects on the Company's own land or leased land, or acquisitions or disposals of equipment or right-of-use assets for business use—and the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence of the event, in accordance with the following requirements:

1. If, due to special circumstances, the transaction price must be determined with reference to a fixed price, specific price, or special price, such transaction shall be submitted to the Board of Directors for approval in advance. The same procedure shall apply in the event of any subsequent change in the transaction terms.
2. For transactions with an amount of NT$1 billion or more, appraisals shall be obtained from at least two professional appraisers.
3. If any of the following circumstances occur in the appraisal results provided by professional appraisers, the Company shall engage a certified public accountant (CPA) to provide a specific opinion on the reasons for the discrepancies and the appropriateness of the transaction price, except where all appraisal results for an acquisition are higher than the transaction price, or all appraisal results for a disposal are lower than the transaction price:

   (1) The discrepancy between the appraisal result and the transaction price is 20% or more of the transaction amount.
   (2) The discrepancy between the appraisal results provided by two or more professional appraisers is 10% or more of the transaction amount.

4. The date of the appraisal report issued by the professional appraiser shall not be more than three months prior to the date of execution of the transaction contract. However, if the same publicly announced current value remains applicable and the report is not more than six months old, the original professional appraiser may issue an opinion letter in lieu of a new appraisal report.

Article 11

When the Company acquires or disposes of marketable securities, it shall, prior to the date of occurrence of the event, obtain the most recent financial statements of the target company audited or reviewed by a certified public accountant as a reference for evaluating the transaction price. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall, prior to the date of occurrence of the event, engage a certified public accountant to provide an opinion on the reasonableness of the transaction price. However, this requirement shall not apply to marketable securities that have publicly quoted prices in an active market or where otherwise provided by the Financial Supervisory Commission (FSC).

Article 12

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

Article 12-1

The calculation of transaction amounts referred to in the preceding three articles shall be conducted in accordance with Paragraph 2, Article 8. The term "within one year" shall refer to the one-year period retroactively calculated from the date of occurrence of the current transaction. Any portion for which a professional appraisal report or a certified public accountant's opinion has already been obtained in accordance with these Procedures need not be included in the calculation again.

Article 13

When the Company acquires or disposes of assets through a court auction process, the supporting documents issued by the court may be used in lieu of an appraisal report or a certified public accountant's opinion.

Article 14

When the Company obtains an appraisal report or an opinion issued by a certified public accountant, attorney, or securities underwriter, the professional appraiser and appraisal personnel, certified public accountant, attorney, or securities underwriter shall meet the following qualifications:

1. They must not have been convicted of an offense under the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, nor of fraud, breach of trust, embezzlement, forgery, or any other crime committed in the course of business, for which a sentence of imprisonment for one year or more has become final and conclusive. However, this restriction shall not apply if three years have elapsed since the completion of the sentence, expiration of the probation period, or the granting of a pardon.
2. They must not be related parties of, or have any substantive relationship with, the counterparty to the transaction.
3. Where two or more professional appraisers are required to provide appraisal reports, the appraisers and appraisal personnel of different firms must not be related parties of, or have any substantive relationship with, each other.

Personnel mentioned in the preceding paragraph shall, when issuing appraisal reports or opinions, comply with the self-regulatory standards of their respective professional associations and adhere to the following requirements:

1. Before accepting an engagement, they shall prudently assess their professional competence, practical experience, and independence.
2. When conducting the engagement, they shall properly plan and implement appropriate work procedures to form their conclusions and prepare the appraisal report or opinion accordingly. The procedures performed, data collected, and conclusions reached shall be fully documented in the working papers for the case.
3. They shall evaluate, item by item, the appropriateness and reasonableness of the data sources, parameters, and information used as the basis for issuing the appraisal report or opinion.
4. The declaration section of the report shall include statements confirming the professional qualifications and independence of the personnel involved, the appropriateness and reasonableness of the information used, and compliance with applicable laws and regulations.

Article 15

When the Company acquires or disposes of assets from or to a related party, in addition to conducting the necessary resolution procedures and evaluating the reasonableness of the transaction terms in accordance with Article 13 and this Article, 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 an opinion from a certified public accountant pursuant to Article 13. The calculation of the transaction amount under the preceding paragraph shall be conducted in accordance with Article 12-1. In determining whether a counterparty is a related party, the Company shall not only consider the legal form but also take into account the substance of the relationship.

Article 16

When the Company acquires or disposes of real estate or right-of-use assets from or to a related party, or acquires or disposes of other assets (excluding real estate or right-of-use assets) 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—except for transactions involving domestic government bonds, bonds with repurchase or resale conditions, or subscriptions to or redemptions of money market funds issued by domestic securities investment trust enterprises—the Company shall obtain the following information, obtain approval from the Audit Committee, and submit the matter to the Board of Directors for resolution before entering into the transaction contract or making any payment:

1. The purpose, necessity, and expected benefit of the acquisition or disposal.
2. The reason for selecting the related party as the transaction counterparty.
3. In the case of acquiring real estate or right-of-use assets from a related party, information and analysis used to evaluate the reasonableness of the proposed transaction terms in accordance with Article 17.
4. The date and price at which the related party originally acquired the asset, the counterparty to that transaction, and the relationship among such counterparty, the related party, and the Company.
5. A forecast of monthly cash inflows and outflows for the year beginning from the expected contract month, together with an evaluation of the necessity of the transaction and the reasonableness of the funding arrangement.
6. The appraisal report obtained from a professional appraiser or the opinion issued by a certified public accountant in accordance with the preceding article.
7. Any restrictive covenants or other important terms and conditions of the transaction.

Transactions conducted between the Company and its parent company, subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital may, in accordance with Paragraph 2 of Article 6, be approved in advance by the Chairman within a certain authorized amount and subsequently submitted to the next Board of Directors meeting for ratification:

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 estate for business use.

Where independent directors have been appointed in accordance with the law, the Board of Directors, when discussing matters under the first paragraph, shall fully consider the opinions of all independent directors. Any dissenting or qualified opinions expressed by independent directors shall be recorded in the minutes of the Board meeting.

Where an Audit Committee has been established pursuant to law, matters that are required to be approved by supervisors under the first paragraph shall first be approved by at least one-half of all Audit Committee members and then submitted to the Board of Directors for resolution. The provisions of Paragraphs 2 and 3 of Article 28 shall apply mutatis mutandis.

If the Company or any of its non–publicly traded domestic subsidiaries engages in a transaction under the first paragraph, and the transaction amount reaches 10% or more of the Company's total assets, the information specified in the first paragraph shall be submitted to the shareholders' meeting for approval before the transaction contract may be executed and payment made. However, transactions between the Company and its parent company, subsidiaries, or among subsidiaries are exempt from this requirement.

The calculation of transaction amounts under the first paragraph and the preceding paragraph shall be conducted in accordance with Paragraph 2, Article 8. The term "within one year" shall refer to the one-year period retroactively calculated from the date of occurrence of the current transaction. Any portion already approved by the shareholders' meeting, Board of Directors, or Audit Committee in accordance with these Procedures need not be included in the calculation again.

Article 17

When the Company acquires real estate or right-of-use assets from a related party, the reasonableness of the transaction cost shall be assessed in accordance with the following methods:

1. Based on the transaction price agreed with the related party, plus the necessary interest on funding and other costs legally borne by the buyer. The necessary interest on funding shall be calculated based on the weighted average interest rate of the borrowings made by the Company during the year of asset acquisition, provided that such rate shall not exceed the maximum loan interest rate for non-financial enterprises announced by the Ministry of Finance.
2. If the related party has used the subject property as collateral for a loan from a financial institution, the overall appraised value for lending purposes determined by the financial institution may serve as a reference, provided that (i) the total amount of the actual loan disbursed by the financial institution on the property is at least 70% of the appraised lending value, and (ii) the loan period has exceeded one year. However, this provision shall not apply if the financial institution and either party to the transaction are related parties.

Where the acquisition or lease involves both land and buildings under the same transaction, the transaction cost may be evaluated separately for the land and the building using any of the methods specified in the preceding paragraphs.
The Company shall engage a certified public accountant to review the appraisal of the real estate or right-of-use asset cost prepared in accordance with the preceding two paragraphs and to provide a specific opinion.
If any of the following circumstances applies to the acquisition of real estate or right-of-use assets from a related party, the transaction shall be handled in accordance with Article 16, and the preceding three paragraphs shall not apply:

1. The related party acquired the real estate or right-of-use asset 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 estate or right-of-use asset and the date of the current transaction contract.
3. The Company enters into a joint construction contract with the related party, or commissions the related party to construct real estate through joint construction on the Company's own land or leased land.
4. The transaction involves the acquisition of right-of-use assets of real estate for business use between the Company and its parent company, subsidiaries, or subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital.

Article 17-1

When the results of the evaluation conducted in accordance with Paragraphs 1 and 2 of the preceding article are lower than the transaction price, the Company shall handle the matter in accordance with Article 18. However, this requirement shall not apply if any of the following circumstances exist, provided that objective evidence is presented and the Company has obtained specific opinions from a professional real estate appraiser and a certified public accountant confirming the reasonableness of the transaction:

1. Where the related party has acquired undeveloped land or leased land and subsequently constructed buildings thereon, and the Company can demonstrate compliance with any of the following conditions:
   (1) The undeveloped land has been appraised in accordance with the methods prescribed in the preceding article, and the building's value is calculated based on the related party's construction cost plus a reasonable construction profit, with the total amount exceeding the actual transaction price. The term "reasonable construction profit" refers to the lower of the average gross profit margin of the related party's construction division over the most recent three years, or the most recent gross profit margin for the construction industry published by the Ministry of Finance.
   (2) Other non–related party transactions involving the same building and land (different floors) or properties in neighboring areas within the past year, where the properties are of comparable size and, after reasonable adjustment for differences in floor level or location customary in real estate transactions, the transaction terms are deemed comparable.
2. Where the Company can provide evidence that the transaction terms for the acquisition of real estate or the lease of right-of-use assets of real estate from a related party are comparable to those of other non–related party transactions involving properties of similar size in neighboring areas within the past year.

The term "transactions in neighboring areas" as used in the preceding paragraph generally refers to transactions located within the same or adjacent city blocks and within a radius of no more than 500 meters from the subject property, or with a comparable publicly announced current value. The term "similar size" generally refers to cases in which the property involved in the non–related party transaction has a floor area of not less than 50% of that of the subject property. The term "within one year" refers to the one-year period retroactively calculated from the date of occurrence of the acquisition of the real estate or right-of-use asset.

Article 18

When the results of the evaluation conducted in accordance with Article 17 indicate that the appraised value of the real estate or right-of-use asset acquired from a related party is lower than the transaction price, the Company shall undertake the following actions:

1. The difference between the transaction price and the appraised cost of the real estate or right-of-use asset shall be appropriated as a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act. Such reserve shall not be distributed or capitalized for issuance of stock dividends. An investor that accounts for its investment in the Company using the equity method and is a public company shall also appropriate a special reserve corresponding to its shareholding percentage in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act.
2. The Audit Committee shall handle the matter in accordance with Article 218 of the Company Act.
3. The actions taken under the preceding two items shall be reported to the shareholders' meeting, and the detailed transaction information shall be disclosed in the Company's annual report and prospectus.

Where the Company has appropriated a special reserve pursuant to the preceding paragraph, such reserve may not be utilized until the high-priced asset acquired or leased has been written down for impairment, disposed of, the lease contract has been terminated, proper compensation has been made, or the situation has otherwise been rectified to eliminate the unreasonable circumstances, and approval has been obtained from the Financial Supervisory Commission (FSC).

If there is other evidence indicating that the acquisition of real estate or right-of-use assets from a related party was conducted under terms inconsistent with normal business practices, the Company shall handle the matter in accordance with the preceding two paragraphs.

Article 19

When the Company engages in derivatives transactions, it shall implement control over the following key risk management and audit matters, which shall be incorporated into its operating procedures:

1. Trading principles and policies: These shall include the types of derivatives transactions that may be conducted, operating or hedging strategies, division of authority and responsibility, performance evaluation guidelines, the aggregate

contract amount permitted for derivatives transactions, and the total and individual contract loss limits.

2. Risk management measures.
3. Internal audit system.
4. Methods for periodic evaluation and procedures for handling abnormal situations.

Article 20

When the Company engages in derivatives transactions, it shall adopt the following risk management measures:

1. Scope of risk management: Risk management shall cover credit risk, market price risk, liquidity risk, cash flow risk, operational risk, and legal risk.
2. Segregation of duties: Personnel responsible for executing derivatives transactions shall not concurrently perform confirmation, settlement, or other related operational functions.
3. Independent risk control: Personnel responsible for risk measurement, monitoring, and control shall belong to departments independent of those handling execution, confirmation, and settlement, and shall report directly to the Board of Directors or to senior management not responsible for trading or position decisions.
4. Position evaluation: Positions held in derivatives transactions shall be evaluated at least once a week; however, for hedging transactions conducted for business purposes, evaluations shall be performed at least twice a month. Evaluation reports shall be submitted to senior management authorized by the Board of Directors.
5. Total contract amount and loss limits for derivatives transactions:
   (1) For hedging foreign exchange operations, the total contract amount shall correspond to the Company’s actual foreign currency needs. For interest rate hedging operations, the total contract amount shall not exceed the corresponding loan amount. The total amount of hedging contracts shall not exceed 20% of paid-in capital or 10% of total assets.
   (2) For non-hedging transactions, the total contract amount shall not exceed NT$30 million.
   (3) For losses on hedging transactions, when the total contract loss amount exceeds 5% or the loss on an individual contract exceeds 15%, the Company shall immediately convene a meeting of relevant personnel to determine appropriate responsive measures.

(4) For derivatives transactions, the loss limit for all contracts combined or for any individual contract shall not exceed 20% of the total or individual contract amount.

6. Authorization levels for derivatives transactions:

    (1) For hedging transactions, the amount of each transaction shall be determined based on the Company's actual foreign currency funding needs, net positions (i.e., the difference between foreign currency assets and liabilities), and projected cash flows. The authorization levels and transaction limits are as follows:

Authorization Level	Maximum Amount per Transaction	Daily Transaction Limit
Board of Directors	Over NT$15 million	—
Chairman	NT$15 million	NT$30 million
President	NT$10 million	NT$20 million

    (2) Non-hedging derivatives transactions shall require approval by resolution of the Board of Directors before execution.

    (3) Transactions executed within the above authorization limits shall be reported to the next meeting of the Board of Directors for review.

7. Other significant risk management measures.

Article 21

When the Company engages in derivatives transactions, the Board of Directors shall exercise effective supervision and management in accordance with the following principles:

1. Designated senior management personnel shall continuously monitor and control the risks associated with derivatives transactions.
2. The Board shall periodically evaluate whether the performance of derivatives transactions aligns with the established business strategies and whether the level of risk assumed remains within the Company's acceptable tolerance range.

Senior management personnel authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:

1. Periodically assess the adequacy of the current risk management measures and ensure that all transactions are conducted in compliance with these Procedures and the Company's established procedures for derivatives trading.
2. Supervise transaction activities and profit/loss conditions. Upon discovery of any irregularities, necessary corrective actions shall be taken immediately, and a report shall be submitted to the Board of Directors. Where independent directors have

been appointed, at least one independent director shall attend the Board meeting and express their opinion.

When the Company engages in derivatives transactions under delegated authority pursuant to its procedures for derivatives trading, the execution status shall be reported to the next meeting of the Board of Directors.

Article 22

When the Company engages in derivatives transactions, it shall maintain a log book to record in detail the types and amounts of derivatives transactions, the dates of Board of Directors' approval, and the matters that must be prudently evaluated in accordance with Item 4 of Article 20, Item 2 of Paragraph 1 of Article 21, and Item 1 of Paragraph 2 of Article 21, for future reference and inspection.
The Company's internal audit personnel shall periodically review the adequacy of the internal controls over derivatives transactions. In addition, they shall conduct monthly audits of the trading department's compliance with the Company's procedures for derivatives trading and prepare audit reports accordingly. If any material violation is discovered, the internal auditor shall promptly notify the Audit Committee in writing.

Article 23

When the Company conducts a merger, spin-off, acquisition, or share transfer, it shall, prior to the Board of Directors' resolution, engage a certified public accountant, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other consideration to be distributed to shareholders. The opinion shall be submitted to the Board of Directors for discussion and approval. However, where a public company merges with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or where two or more such wholly owned subsidiaries merge with each other, the aforementioned opinion of reasonableness may be exempted.

The key terms and conditions of the merger, spin-off, or acquisition, together with relevant matters, shall be included in a public document provided to shareholders before the shareholders' meeting, along with the expert opinion referred to in the preceding paragraph and the shareholders' meeting notice, to serve as a reference for deciding whether to approve the merger, spin-off, or acquisition. However, this requirement does not apply if the merger, spin-off, or acquisition may be conducted without a shareholders' meeting resolution pursuant to other applicable laws or regulations.

If any of the companies participating in the merger, spin-off, or acquisition is unable to convene a shareholders' meeting, adopt a resolution, or complete the procedure due to insufficient attendance, inadequate voting rights, or other legal restrictions, or if the proposal is rejected at the shareholders' meeting, each participating company shall immediately make a public announcement explaining the cause of such event, the subsequent handling procedures, and the expected date for reconvening the shareholders' meeting.

Article 24

Except as otherwise provided by law or where special circumstances have been reported to and approved in advance by the Financial Supervisory Commission (FSC), companies participating in a merger, spin-off, or acquisition shall hold meetings of their Boards of Directors and shareholders on the same day to resolve matters related to the merger, spin-off, or acquisition.

Except as otherwise provided by law or where special circumstances have been reported to and approved in advance by the FSC, companies participating in a share transfer shall hold meetings of their Boards of Directors on the same day to resolve matters related to the share transfer.

Listed companies or companies whose shares are traded over the counter that participate in a merger, spin-off, acquisition, or share transfer shall prepare complete written records of the following information and retain them for five years for audit and inspection:

1. Basic information on personnel: Including the titles, names, and identification numbers (or passport numbers for foreign nationals) of all individuals who participate in the planning or execution of the merger, spin-off, acquisition, or share transfer before the information is made public.
2. Key dates: Including the dates of signing letters of intent or memoranda of understanding, engagement of financial or legal advisors, execution of contracts, and meetings of the Board of Directors, among others.
3. Important documents and meeting minutes: Including merger, spin-off, acquisition, or share transfer plans; letters of intent or memoranda of understanding; significant contracts; and minutes of meetings of the Board of Directors.

Listed companies or companies whose shares are traded over the counter that participate in a merger, spin-off, acquisition, or share transfer shall, within two days from (and excluding) the date of the Board of Directors' resolution, file the information specified in Items 1 and 2 of the preceding paragraph with the FSC for recordation through the designated online information reporting system in the prescribed format.

If any of the companies participating in the merger, spin-off, acquisition, or share transfer is not a listed company or a company whose shares are traded over the counter, the listed or OTC-traded company shall enter into an agreement with such company and shall comply with the provisions of the preceding two paragraphs.

Article 24-1

All persons who participate in or become aware of the Company’s merger, spin-off, acquisition, or share transfer plan shall sign a written confidentiality undertaking. Before the information is made public, such persons shall not disclose any content of the plan to any outside party, nor shall they trade, either in their own name or in the name of others, the shares or any other equity-type securities of any company involved in the merger, spin-off, acquisition, or share transfer.

Article 25

When the Company participates in a merger, spin-off, acquisition, or share transfer, the exchange ratio or acquisition price shall not be altered arbitrarily, except under any of the following circumstances. The conditions under which adjustments may be made shall also be specified in the merger, spin-off, acquisition, or share transfer agreement:

1. Issuance of new shares through a cash capital increase, issuance of convertible corporate bonds, stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, subscription warrants, or other equity-type securities.
2. Disposal of major assets or other actions that materially affect the Company’s financial or business condition.
3. Occurrence of a major disaster, significant technological change, or other event that materially affects shareholders’ equity or the market price of securities.
4. Repurchase of treasury shares by any of the companies participating in the merger, spin-off, acquisition, or share transfer in accordance with applicable laws.
5. An increase or decrease in the number or identity of the entities participating in the merger, spin-off, acquisition, or share transfer.
6. Other circumstances for adjustment that have been specified in the contract and publicly disclosed.

Article 25-1

When the Company participates in a merger, spin-off, acquisition, or share transfer, the contract shall clearly specify the rights and obligations of all participating companies and shall include the following provisions:

1. Procedures for handling any breach of contract.
2. Principles for handling equity-type securities already issued, or treasury shares already repurchased, by any company that is to be dissolved due to the merger or spun off.
3. The number of treasury shares that each participating company may repurchase in accordance with the law as of the base date for calculating the share exchange ratio, and the principles for their treatment.
4. Procedures for handling any increase or decrease in the number or identity of the participating entities.
5. The anticipated implementation schedule and expected completion date of the plan.
6. Relevant procedures to be followed, including the planned date for convening a shareholders' meeting as required by law, if the plan is not completed within the prescribed timeframe.

Article 25-2

After the information on a merger, spin-off, acquisition, or share transfer has been made public, if any of the companies involved intends to engage in another merger, spin-off, acquisition, or share transfer with a different company, all procedures or legal actions already completed under the original merger, spin-off, acquisition, or share transfer shall be carried out anew by all participating companies, except where the number of participating entities is reduced and the shareholders' meeting has already passed a resolution authorizing the Board of Directors to make such changes.

Article 25-3

If any of the companies participating in a merger, spin-off, acquisition, or share transfer is not a public company, the public company shall enter into an agreement with such company and shall handle the matter in accordance with Articles 24, 24-1, and the preceding article.

Article 26

If the subsidiary of the Company is not a domestic public company and the information of the acquisition or disposal of assets is required to be announced and reported, the Company shall do so on behalf of the subsidiary. The subsidiary in the preceding paragraph shall be subject to the requirements of Paragraph 1 of Article 8 of the Company's Articles of Incorporation with respect to the amount of paid-in capital or the total assets of the Company. The procedures for the subsidiary's acquisition or disposal of assets shall be handled in accordance with the parent company's "Procedures for Acquisition or Disposal of Assets".

Article 26-2

For the purposes of these Procedures, any reference to “10% of total assets” shall be calculated based on the total assets amount stated in the most recent individual or separate financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
Where the Company’s shares have no par value or a par value other than NT$10 per share, any reference in these Procedures to a transaction amount equivalent to “20% of paid-in capital” shall be calculated as 10% of equity attributable to owners of the parent. Likewise, any reference to a transaction amount threshold based on “paid-in capital of NT$10 billion” shall be calculated as NT$20 billion of equity attributable to owners of the parent.

Article 27

When the Company acquires or disposes of assets and the transaction reaches the public disclosure threshold specified in Article 8 of these Procedures, and the counterparty is a substantive related party, the Company shall disclose the details of such transaction in the notes to its financial statements and report the matter to the shareholders’ meeting.

Article 28

The establishment of these Procedures shall be approved by at least one-half of all members of the Audit Committee, submitted to the Board of Directors for approval, and then reported to the shareholders’ meeting for ratification. The same procedure shall apply to any amendments. If any director expresses an objection that is recorded or presented in writing, the Company shall submit the details of such objection to the Audit Committee for review. When submitting the “Procedures for Acquisition or Disposal of Assets” to the Board of Directors for discussion, the Company shall give full consideration to the opinions of all independent directors, and the opinions of agreement or opposition and the reasons therefor shall be included in the meeting minutes.

If the proposal is not approved by at least one-half of all members of the Audit Committee, it may be implemented with the consent of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

For the purposes of these Procedures, “all members of the Audit Committee” and “all directors” shall be calculated based on the actual number of members currently in office.