APACER TECHNOLOGY INC.

Procedure for Acquisition or Disposal of Assets (post-amendment)

Article 1 Purpose and Legal Basis

In order to reinforce the management of the Company's Procedure for Acquisition and Disposal of Assets (hereinafter this "Procedure"), this Procedure is established in accordance with the Securities and Exchange Act, the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and applicable legislations.

Article 2 The term "assets" as used in this Procedure includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, beneficiary securities and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, construction enterprise inventory, and construction business inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Derivatives.
7. Assets acquired or disposed of in connection with mergers, demerger, acquisitions, or transfer of shares in accordance with law.
8. Other major assets.

Article 3 Definitions

Terms used in this Procedure are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demerger, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or

the date of receipt of approval by the competent authority shall apply.

5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Evaluation and Procedure for Acquisition or Disposal of Assets

1. Acquisition or disposal of securities
   (1) For securities acquired or disposed of in centralized trading market or OTC venue, the handling unit shall provide the background for the acquisition or disposal, the target and basis of price reference and seek a decision by the responsible unit.
   (2) For securities not acquired or disposed of in centralized trading market or OTC venue, the handling unit shall, before the date of occurrence of the event, submit the background for the acquisition or disposal, the target, transaction counterparty, transfer price, payment terms and basis of price reference to the responsible unit to seek a decision.
2. For the acquisition or disposal of real property and other fixed assets, memberships, intangible assets and assets acquired or disposed of in accordance with legal merger, demerger, acquisition or transfer of shares, the handling unit shall, before the date of occurrence of the event, submit the background for the acquisition or disposal, the target, transaction counterparty, transfer price, payment terms and basis of price reference to the responsible unit to seek a decision.
3. To evaluate derivatives, the finance supervisor shall regularly convene meetings with relevant personnel to review operating strategies and performance. In principle, transaction positions and performance shall be submitted to the executive of the finance division, finance and administration department every week, to the chief financial officer every month and to the president every quarter.
4. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters shall meet the following requirements:
   (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the 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.
   (2) May not be a related party or de facto related party of any party to the transaction.

(3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall follow the self-governing regulations of their respective professional associations and comply with the following:

(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

(2) When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

(3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

5. Relevant procedures for acquisition or disposal of relevant assets shall be carried out in accordance with relevant regulations of the Company's internal control system.

Article 5 Approval Procedure for Acquisition or Disposal of Assets

1. Price determination manner and basis of reference:

(1) Prices of securities traded on central markets or OTC venues shall be determined based on current market prices. For securities not acquired or disposed of on central markets or OTC venues, the prices shall be determined in consideration of the net value per share, profitability, future development potential and reference to current trading prices.

(2) Acquisition or disposal of real property and other fixed assets or the right-of-use assets thereof shall be done through price comparison, price negotiation or tender. For real properties, reference shall be made to published current prices, evaluated current prices and actual transaction prices of neighboring real properties.

(3) For acquisition or disposal of memberships, prices shall take into consideration consolidated evaluation of value increase expected in the future and generated benefits.

(4) For acquisition or disposal of intangible assets such as patents, copyrights, trademarks, franchises, etc. and the right-of-use assets thereof, the prices shall take into consideration expected proceeds in the future, level of technical development and innovation, status of legal protection, license and implementation situation, production cost or implementation cost, as well as elements related to the licensor and the licensee, in order to reach an overall judgment.

2. Limit and Level of Approval Authority:

The acquisition or disposal of assets by the Company shall be decided by the responsible unit within the scope of authority in the following circumstances, provided that matters under Article 185 of the Company Act shall first be submitted to the shareholders' meeting for approval:

(1) Acquisition or disposal of securities: Subject to board approval except in the following circumstances:

   i. The president is authorized by the board of directors to make decisions below (including) NT$30,000,000, with subsequent report to the board of directors afterwards.
   ii. For acquisition or disposal of securities traded on centralized trading market or OTC venues, the president is authorized by the board of directors to make decisions below (including) NT$50,000,000, with subsequent report to the board of directors afterwards.
   iii. The president is authorized to invest short-term idle funds in government bonds, domestic bond funds, financial bonds that are short-term securities below NT$50,000,000 per transaction or per day. Transactions over NT$50,000,000 are subject to the chairman's approval.

(2) Acquisition or disposal of real property or the right-of-use assets thereof shall be approved by the board of directors, provided that the board of directors may authorize the chairman to make decisions below (including) NT$50,000,000 with subsequent reporting to the board of directors afterwards.

(3) The acquisition or disposal of other fixed assets or the right-of-use assets thereof shall be approved by the board of directors if the transaction amount exceeds NT$50,000,000. If the transaction amount is below (including) NT$50,000,000 and over NT$30,000,000, the chairman is authorized to make decisions. If the amount is less than (including) NT$30,000,000, the president is authorized to make decisions.

(4) Authorization for acquisition or disposal of derivatives shall be established in accordance with the growth of the Company's turnover and the variation of risk positions, which shall take effect upon approval by the president and the chief financial officer and shall be reported to the board of directors. Any amendment shall be subject to the chairman's approval. The limit of authorized amount shall be governed by a separate regulation.

(5) For the acquisition or disposal of intangible assets such as patents, copyrights, trademarks, franchises, etc. or the right-of-use assets thereof, the chairman is authorized by the board of directors to make decisions below (including) NT$50,000,000.

(6) With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the board of directors may authorize the chairman to make decisions below (including) NT$50,000,000 and subsequently report to the next board meeting for approval afterwards:

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

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

3. Handling Unit:

   The handling unit of the Company in relation to securities and derivatives is the finance division, finance and administration department. For other fixed assets, intangible assets, memberships and assets acquired or disposed of in accordance with legal merger, demerger, acquisition or transfer of shares, the handling unit is the user department and relevant responsible unit.

Article 6 Filing Procedure

1. Under any of the following circumstances when the Company acquires or disposes of assets, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
   (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more.
   (2) Merger, demerger, acquisition, or transfer of shares.
   (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
   (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
      i. When the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
      ii. When the Company's paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.
   (5) 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 furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.
   (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the mainland China area reaches 20% or more of paid-in capital or NT$300 million.

   provided, this shall not apply to the following circumstances:
      i. Trading of domestic government bonds or foreign government bonds with credit rating not lower than the sovereign rating of Taiwan.
      ii. Trading of bonds under repurchase and resale agreements.
      iii. Subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The transaction amount under the previous paragraph is calculated as follows:
   (1) Transaction amount per transaction.
   (2) Accumulated transaction amount with the same counterparty and for the acquisition or disposal of targets of the same nature within the preceding year.
   (3) Accumulated transaction amount for the acquisition or disposal of real property or the right-of-use assets thereof under the same development project within the preceding year.
   (4) Accumulated amount of the same securities acquired or disposed of within the preceding year (separate accumulation of acquisition and disposal).
   (5) "Within the preceding year" as used in the previous three subparagraphs

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.

3. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
4. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
5. In acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
6. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
   (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
   (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
   (3) Change to the originally publicly announced and reported information.
7. For the calculation of 10% of total assets under paragraph 1, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 7 Scope and Limit for Acquisition or Disposal of Assets

1. In addition to acquisition of assets for business use or the right-of-use assets thereof, the Company may also invest in and purchase real properties or the right-of-use assets thereof and securities not for business use, subject to the following restrictions on limits:
   (1) Total amount of real properties or the right-of-use assets thereof not for business use shall not exceed 40% of the Company's CPA-certified shareholders' equity and long-term debt.
   (2) Total amount of investment in securities shall not exceed the Company's CPA-certified shareholders' equity.
   (3) Limit amount for investment in individual securities shall not exceed 40% of the Company's CPA-certified shareholders' equity.
2. For the Company and any subsidiary of which more than (including) 50% shares are held by the Company on consolidated basis, the limit amount for the acquisition or disposal of assets shall not exceed the following:
   (1) It is prohibited to purchase real property or the right-of-use assets thereof not for business use.
   (2) Total amount of investment in securities shall not exceed 40% of the Company's CPA-certified shareholders' equity.

(3) Limit amount of investment in individual securities shall not exceed 20% of the Company's CPA-certified shareholders' equity.

Article 8 Control procedure for acquisition or disposal of assets by subsidiaries

1. When a subsidiary invested by the Company acquires or disposes of assets, a "Procedure for Acquisition or Disposal of Assets" shall be established in accordance with the regulations, which shall be submitted to the board of directors of the Company. The same shall be applicable in case of amendment.
2. For any subsidiary of the Company that is not a domestic listed company and the acquisition and disposal of assets reaches the thresholds of public announcement and filing under this Procedure, the Company shall also make public announcements and filings in accordance with this Procedure, with copies sent to the relevant units.
3. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 6, paragraph 1.

Article 9 Penalty for breach of this Procedure by relevant personnel

When any relevant personnel of the Company breach this Procedure, it shall be handled in accordance with the Company's personnel related regulations.

Article 10 Appraisal report from professional appraiser

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, or where the transaction amount of acquisition or disposal of assets between the Company and a related party reaches 10% of the Company's total assets, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, 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, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
   (1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
   (2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report

issued by a professional appraiser and the contract execution date; 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.

Article 11 CPA Opinion

1. When the Company has any of the following circumstances and the transaction amount reaches 20% or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price:
   (1) Acquisition or disposal of securities not traded on a securities exchange or OTC venue.
   (2) Acquisition or disposal of securities under private placement.
2. When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
3. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
4. When the Company engages in any acquisition or disposal of assets from or to a related party, 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 of the preceding 3 paragraphs.

Article 11-1 The calculation of the transaction amounts referred to in Article 10 and Article 11, paragraphs 1, 2 and 4 shall be done in accordance with Article 6, 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 for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Related Party Transaction

Article 12 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
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 13 and Article 14.

4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Articles 10 and 11.
7. Restrictive covenants and other important stipulations associated with the transaction.

When the Company has a transaction under the paragraph 1 with its subsidiary that is not a domestic listed company and if the transaction amount reaches 10% or more of the Company's total asset, the Company shall submit the information listed under the paragraph 1 to the shareholders' meeting for approval before it signs the transaction contract and pays the amount, except for transactions between the Company, its subsidiary or among its subsidiaries.

The calculation of the transaction amounts referred to in the preceding two paragraphs shall be done in accordance with Article 6, 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 board of directors and shareholders' meeting need not be counted toward the transaction amount.

Article 13 In acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

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.
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% 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.
3. 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.
4. In acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with subparagraphs 1 and 2, the Company shall also engage a CPA to check the appraisal and render a specific opinion.
5. When the Company acquires real property or right-of-use assets thereof from a related party and if one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 12, and the preceding four subparagraphs do not apply:

(1) The related party acquired the real property or right-of-use assets thereof 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 right-of-use assets thereof 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 its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 14 When the results of the Company's appraisal conducted in accordance with subparagraphs 1 to 3 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 15. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
   (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
   (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 15 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Articles 13 and 14 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside against the difference between the real property transaction price and the appraised.
2. Independent directors of the audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to subparagraphs 1 and 2 shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment 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 assets it purchased or leased at a premium, or they have 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 the securities authority has given its consent.

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

Engaging in Derivatives Trading

Article 16 In engaging in derivatives trading, the Company shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into their Procedures:

1. Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that my be traded, and the maximum loss limit on total trading and for individual contracts.
2. Risk management measures.
3. Internal audit system.
4. Regular evaluation methods and the handling of irregular circumstances.

Article 17 In engaging in derivatives trading, the Company shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
5. Other important risk management measures.

Article 18 Principles of Supervision and Management by Board of Directors:

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent

with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

Principles of Supervision and Management by Senior Executives Authorized by Board of Directors:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
2. <u>When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion.</u>

The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivates trading in accordance with its Procedures for Engaging in Derivatives Trading.

If the Company does not plan to engage in derivatives trading, it may acquire the approval by the board of directors and shall be released of the obligation to establish the procedure for engagement in derivatives trading under the previous paragraph. If it subsequently engages in derivatives trading, it shall still follow the preceding Article and preceding paragraph.

Article 19 In engaging in derivatives trading, the Company shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 17 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2 of Article 18 shall be recorded in detail in the log book.

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

Mergers and Consolidations, Demergers, Acquisitions, and Transfer of Shares

Article 20 When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

Article 21 The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to the preceding Article when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders' meeting of the Company or any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

Article 22 The Company shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the securities authority is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record for proper safekeeping and audit.

In participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the information by the securities authority for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and abide by the provisions of paragraphs 2 and 3.

Article 23 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24 In participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

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

Article 25 The contract for the Company's participation in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 26 After public disclosure of the information about the merger, demerger, acquisition, or share transfer intends, the Company further plans to carry out a merger, demerger, acquisition, or share transfer with another company, the Company shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, the Company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

Article 27 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and abide by the provisions of Article2 22, 23 and 26.Article 23.

Article 28 Others

1. Any matter that is not stipulated in this Procedure shall be governed by applicable laws and relevant regulations of the Company. If the competent authority amends any letter previously published about the procedure for acquisition or disposal of assets, the Company shall abide by the new letter.
2. This Procedure shall be approved by 1/2 or more of all members of the audit committee and submitted to the board of directors for approval by resolution, followed by further submission to the shareholders' meeting for approval. The same is applicable to any amendment. If any director voices any dissent with records or written statement, the Company shall submit such director dissenting opinion to the members of the audit committee.
3. If the approval from 1/2 or more of all members of the audit committee is not acquired in the preceding paragraph, the approval may be granted by 2/3 or more of all directors and the minutes of the board meeting shall specify the resolution of the audit committee.
   "All members of the audit committee" and "all directors" referred to under the preceding paragraph shall be calculated based on the number of current members.
4. When the Company submits this Procedure or any transaction for acquisition or disposal of assets to the board of directors for discussion in accordance with the preceding two paragraphs, it shall take into full consideration the opinions of

each independent director. If any independent director has any dissenting or reservation opinion, it shall be specified in the minutes of the meeting.

5. The chairman of the board may further establish management principles that are more conservative than this Procedure, which shall be implemented in priority following approval by 2/3 or more of directors attending a meeting that is attended by 2/3 or more directors. The same is applicable to any amendment.

Article 29 These Principles were established on 24 April 2000.
The first amendment was made on 23 June 2003.
The second amendment was made on 31 May 2007.
The third amendment was made on 2 September 2008.
The fourth amendment was made on 13 June 2012.
The fifth amendment was made on 25 June 2013.
The sixth amendment was made on 23 June 2014.
The seventh amendment was made on 26 May 2017.
The eight amendment was made on 30 May 2018.
The ninth amendment was made on 30 May 2019.
The tenth amendment was made on 31 May 2022.