

Procedures for Acquisition or Disposal of Assets

Article 1:

Acquisitions or disposals of assets by Greatek Electronic Inc. (“the Company”) shall be subject to the “Procedures for Acquisition or Disposal of Assets” (the Procedures)

Article 2:

Terms used in the Procedures are defined as follows:

1. The term "assets" as used in the Procedures includes the following: Investments in securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities); real property (including land, houses and buildings, investment property, rights to use land) and equipment; memberships; other intangible assets (including patents, copyrights, trademarks, franchise rights); claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables); assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law; and other major assets.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act or 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, paragraph 8 of the Company Act.
3. 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.
4. 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.
5. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
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.

Article 3:

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 4:

Evaluation and operating procedures for acquisition of assets:

1. Evaluation procedures for acquisition of assets:

A. For evaluation of acquisition of assets for the investments in securities, the unit responsible for implementation shall built an investment evaluation team to assess the feasibility.

B. For real property and other fixed assets, department in use of the assets shall propose the capital expenditure plan for the feasibility assessment, and submit to the Finance & Accounting Department to prepare budget for implementation and control.

2. Operating procedures for acquisition of securities:

A. The assets for the investments in securities shall be measured with fair value in accordance with the International Financial Reporting Standards approved by the Financial Supervisory Commission, and the security receipts shall be recorded and registered for safekeeping by the Finance & Accounting Department.

B. If the equity investments and convertible bonds Purchases are subscriptions of the registered stocks, the Company shall acquire the securities as an investor within 30 days counting from the date that the investee issues the stocks or convertible bonds in accordance with the Company Act. In case of the share transfers, the equity title transfer shall be conducted immediately.

3. Operating procedures for acquisition of real property and other fixed assets:

A. In the case of acquisition of land and structures required to be publicly disclosed and filed under the Article 9 in these Procedures, the Company shall retain a an objective/impartial and detached/independent professional appraiser to appraise and render an appraisal report, and acquire in accordance with the relevant asset appraisal procedures under the Article 11 in these Procedures.

B. After the acquisition of real property and other fixed assets, insurance shall be covered immediately to prevent the loss of the Company.

C. After the acquisition, the assets shall be registered, managed and used in accordance with “Real property, buildings and equipment management procedures”.

Article 5:

Evaluation and operating procedures for disposal of assets:

1. Evaluation procedures for disposal of assets:

A. For evaluation of disposal of assets for the investments in securities, the unit responsible for implementation shall assess the feasibility to be approved.

B. For real property and other fixed assets, department in use of the assets shall propose a project for statement of reason, method, etc. for disposal to be approved.

2. Operating procedures for disposal of securities:

In the case of disposal required to be publicly disclosed and filed under the Article 9 in these Procedures and is an investment in securities under the Article 12 in these Procedures, the company shall engage a securities analyst prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction amount. When the securities analyst expresses an opinion, he/she should explain in detail the basis of the judgment and the qualification certificate.

3. Operating procedures for disposal of real property and other fixed assets:

A. In the case of disposal of land and structures required to be publicly disclosed and filed under the Article 9 in these Procedures, the Company shall retain a an objective/impartial and detached/independent professional real property appraiser to appraise and render an appraisal

report, and acquire in accordance with the relevant asset appraisal procedures under the Article 11 in these Procedures.

B. After the disposal of real property and other fixed assets, insurance shall be canceled immediately.

C. After the disposal, the assets shall be managed and registered in accordance with “Real property, buildings and equipment management procedures”.

Article 6:

Determination procedures for conditions of acquisition or disposal of assets:

1. The means of price determination and supporting reference materials:

A. When acquiring or disposing publicly traded securities shall, the purchase price shall be determined based on the market price.

B. When acquiring or disposing which is not publicly traded OTC securities, in determining the purchase price, the net worth per share, profitability, potentiality, market interest rates, the bond coupon rate and the debtor’s credit, etc., shall be taken into consideration.

C. When acquiring or disposing any real property or assets, department in use of the assets shall propose a project for explanation. The assets management department shall determine the price after taking current land value or current assessed building value published by the authorities and the actual trade prices of comparable real property in the neighborhood into consideration, and also undertaking price inquiry, price comparison and price bargaining. In the case of any transaction required to be publicly disclosed and filed with the securities authorities the Article 11 in these Procedures, an evaluation report rendered by a professional appraiser shall also be referenced.

2. The levels to which authority is delegated

For the acquisition or disposal of assets that is subject to the Procedures, approval by the levels to which authority is delegated shall be obtained as defined below:

A. Acquisition or disposal of securities:

I. Equity investments:

Where the purchase price is more than NT\$100 million: Board of Directors’ approval is required.

Where the purchase price is less than or equal to NT\$100 million: Refer to the relevant delegation and authorization policies and procedures.

II. Financial bonds and bond funds:

Where the purchase price is more than NT\$200 million: Board of Directors’ approval is required.

Where the purchase price is less than or equal to NT\$200 million: Refer to the relevant delegation and authorization policies and procedures.

III. Other securities:

Where the purchase price is more than NT\$100 million: Board of Directors’ approval is required.

Where the purchase price is less than or equal to NT\$100 million: Refer to the relevant delegation and authorization policies and procedures.

B. Acquisition or disposal of real property and other fixed assets :

I. Where the purchase price is in an amount equal to 20% of the Company’s paid-in capital or NT\$500 million or more: Board of Directors’ approval is required.

II. Where the purchase price is less than the above-mentioned amount but is more than NT\$200 million: In addition to the approval required under the relevant delegation and authorization policies and procedures, board chairman’s approval is required.

III. Where the purchase price is NT\$200 million or less: Refer to the relevant delegation and authorization policies and procedures.

Article 7: The unit responsible for implementation

The unit responsible for implementation the company's investments in securities is the Finance & Accounting Department, the units responsible for implementation the company's investments in real property and other fixed assets are Department in use of the target assets, Purchasing Department and other personnel-in-charge.

With respect to a public company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.

In determining whether to approve an acquisition or disposal of assets, the Board of Directors shall take into full consideration each Independent Director's opinion. Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of the Board of Directors.

Any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. Without the approval by more than half of all audit committee members, the transaction hereto may also be approved and adopted by two third (2/3) of members of the Board of Directors with the detail of the Audit Committee's decision being recorded in the Board meeting minutes.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 8: Investment quota

The company's funds are mainly expended in supporting the business needs. In case of any expendable fund, in order to take full advantage of the benefit of the fund application, investment can be made in accordance with the resolution by the levels to which authority is delegated and shall subject to the following:

1. The purchase price for acquisition of real property for non-operating purposes shall not exceed 10% of the owner's equity of the Company on the most current financial statements of the Company; for the subsidiary, the purchase price for acquisition of real property for non-operating purposes shall not exceed 10% of the owner's equity of the Company on the most current financial statements of the subsidiary.
2. The total amount of acquisition of investments in securities shall not exceed 50% of the owner's equity of the Company on the most current financial statements of the Company; for the subsidiary, the total value of acquisition of investments in securities shall not exceed 20% of the owner's equity of the Company on the most current financial statements of the subsidiary.
3. The amount of a single investment in securities shall not exceed 30% of the owner's equity of the Company on the most current financial statements of the Company; for the subsidiary, the amount of a single investment in securities shall not exceed 15% of the owner's equity of the Company on the most current financial statements of the subsidiary.

The calculation of the total amount of the investment in the above securities is based on the

original investment cost.

Article 9: Disclosure and filing:

Whenever any of the following events occurs, the Company shall file the relevant information on the information reporting website designated by the competent authority in accordance with the relevant regulations within two days (date of occurrence included):

1. An acquisition or disposal of real property or other fixed asset from or to any related party in an amount equal to 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million, or more. However, this clause does not apply to an acquisition or disposal of government bonds, repurchase of money market funds issued by domestic securities investment trust enterprises.
2. A merger, spin-off, acquisition or share transfer.
3. The acquisition or disposal of asset classes are used for operating machinery and equipment and whose object is not a related party transaction, the transaction amount reach the following conditions:
 - A. When the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - B. When the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
4. Prefectural self-built rental prefectural construction, joint construction of houses in building sharing, joint construction of way acquisition of real estate sales, the company expects the transaction amount invested less than NT\$ 500 million.
5. Other than transactions set forth in clauses (1) to (5), either an acquisition or disposal of assets, a disposal of claims by a financial institution or an acquisition or disposal of assets in Mainland China, in an amount equal to 20% of the Company's paid-in capital or NT\$300 million, or more. However, this clause does not apply to any of the following cases:
 - A. An acquisition or disposal of government bonds;
 - B. an acquisition or disposal of bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.;

The transaction amount referred to in this clause (5) shall be calculated as follows:

- A. The amount in each transaction;
- B. The cumulative amount of acquisitions or disposals of the same kind of asset from or to the same party within one year;
- C. The cumulative amount of acquisitions or disposals of real property in the same development project within one year; or
- D. The cumulative amount of acquisitions and disposals of the same securities within one year.

The terms "within one year" in the preceding paragraph shall mean within one year before the date of occurrence of a specified acquisition or disposal of assets. Any transaction which has been publicly disclosed and filed in accordance with the Procedures may be excluded.

6. Should any of the following occur after filing and public disclosure of a transaction, the Company shall file the relevant information on the information reporting website designated by the competent authority in accordance with the relevant regulations within two days (date of

occurrence included):

1. Any amendment to, or termination or cancellation of the relevant agreement;
 2. A merger, spin-off, acquisition or share transfer not completed as scheduled in the relevant agreement; or
 3. Any change to the original filing and public disclosure.
7. Unless otherwise provided by applicable laws, any and all written agreements, meeting minutes, memorandum books, appraisal reports and written opinions of certified public accounts, lawyers or securities underwriters in connection with assets acquisitions or disposals shall be kept at the office(s) of the Company for at least five years.

Article 10: Control procedures for acquisitions or disposals of assets by the subsidiary

1. The Company shall audit the subsidiary to establish and implement the “Procedures for Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
2. Information required to be publicly disclosed and filed in accordance with the provisions of Article 9 on acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the Company.
3. The paid-in capital or total assets of the public company shall be the standard for determining whether or not the subsidiary referred to in the preceding paragraph is subject to Article 9 requiring a disclosure and filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Article 10-1: The threshold “10% of the total assets” provided herein shall refer to the amount of total assets shown on the latest individual or consolidated financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. In case the shares of the Company are with a par value other than NT\$10 or without par value, the threshold “20% of the paid-in capital” shall be substituted by “10% of the shareholders’ equity attributable to the parent.”

Article 11: Retain a professional appraiser to render an appraisal report

Except transactions with government agencies, retention of independent contractors to construct on land owned or rented by the Company, or acquisitions or disposals of equipment for operating use, whenever the Company is proposing to acquire or dispose real property or equipment in an amount equal to or more than 20% of the Company's paid-in capital or NT\$300 million, an appraisal report on the target(s) prepared by a professional appraiser shall be obtained before the relevant date of occurrence and the transaction shall be subject to the following:

1. If, for any reason, a restricted price, specific price or special price has to be used as a reference for the purchase price, the transaction and any change thereto shall be approved by the Board of Directors in advance.
2. If the purchase price equals to NT\$1 billion or more, the Company shall retain at least two professional appraisers to perform the appraisal.
3. In case any of the following occurs, the Company shall retain a certified public accountant to

comment on the purchase price in accordance with the provision of Auditing Standard No.20 promulgated by the Accounting Research and Development Foundation, analyze the reasons for the discrepancy and opine on the reasonableness of the purchase price, unless the appraised value of assets to be acquired is higher than the purchase price or the appraised value of assets to be disposed is lower than the purchase price:

A. the discrepancy between the appraised value and the purchase price is equal to or more than 20% of the purchase price; or

B. the discrepancy between the appraised values respectively given by two or more professional appraisers is equal to or more than 10% of the purchase price.

4. The appraisal report shall be prepared no earlier than 3 months of the relevant date of transaction agreement; provided that if it applies the same current land value published by the authorities and is prepared no earlier than 6 months of the relevant date of transaction agreement, the appraisal report may still be referenced by incorporating the same professional appraiser's supplement opinions, instead of being substituted by a newly prepared one.

Article 12: Retain the certified public accountants to render written opinions

In the case of acquisition or disposal of securities, the Company shall obtain the latest financial statements of the issuer of the securities, audited or reviewed by certified public accountants, prior to the relevant date of occurrence as reference for the purchase prices. Should the purchase price equals to 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall also seek opinions in respect of the reasonableness of the purchase price from certified public accountants prior to the relevant date of occurrence. Any valuation report required as a basis of such reasonableness opinions shall be prepared in accordance with the provision of Auditing Standard No.20 promulgated by the Accounting Research and Development Foundation unless the securities to be acquired or disposed have been quoted in an active public market or the securities authorities require otherwise.

Article 13: In the case of acquisition or disposal of a membership or an intangible asset in an amount equal to 20% of the Company's paid-in capital or NT\$300 million or more, except transactions with government agencies, the Company shall seek opinions in respect of the reasonableness of the purchase price from certified public accountants prior to the relevant date of occurrence. Any valuation report required as a basis of such reasonableness opinions shall be prepared in accordance with the provision of Auditing Standard No.20 promulgated by the Accounting Research and Development Foundation.

Article 13-1: The purchase price or transaction amount referred to in Article 11, 12 and 13 shall be calculated in accordance with the provisions of Article 9. "Within one year" shall mean within one year before the date of occurrence of a specified acquisition or disposal of assets. Any transaction which has been evaluated in an appraisal report or opined by certified public accountants in accordance with these Procedures may be excluded.

Article 14: Exemption from expert opinions:

In the case of acquisition or disposal of assets through an auction conducted by court, the Company

may obtain the relevant court documentation in lieu of the required appraisal reports or opinions of certified public accountants.

Article 15: Procedures for transactions with related parties:

1. Transactions with related parties shall be identified in accordance with the following: In the case of acquisition or disposal of assets from or to a related party in an amount equal to 10% of the Company's total assets or more, in addition to the evaluation and approval process required in the preceding Article 11 and Article 12, the Company shall also obtain appraisal reports or seek opinions from certified public accountants in accordance with the preceding Article.

The transaction amount referred to herein shall be calculated in accordance with Article 13-1.

In determining whether a counterparty is a related party, in addition to the form, the substance of the relationship shall also be taken into consideration.

2. In the case of acquisition or disposal of real property or other fixed assets from or to a related party in an amount equal to 20% of the Company's paid-in capital, 10% of the Company's total assets or NT \$300 million, or more, except for government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the following shall be submitted to the Audit Committee and presented to the Board of Directors for its approval prior to signing the transaction agreement and/or making any payment thereunder:

A. Purposes, necessity and anticipated benefits of the acquisition or disposal of assets;

B. Reasons for transacting with the related party;

C. In the case of acquisition of real property, documents relating to the evaluation of the proposed transaction shall be subject to Article 15, paragraph 3 and 4;

D. Date and price at which the related party originally acquired the assets and the original seller, and such seller's relationship with the Company and the related party;

E. Monthly cash flow forecasts for one year commencing from the scheduled month of signing the transaction agreement, and evaluation of the necessity of the proposed transaction and the reasonableness of the application of funds;

F. Appraisal reports or opinions of certified public accountants obtained under the preceding Article; and

G. Restrictive covenants and other material terms regarding the proposed transaction.

The transaction amount referred to in s above shall be calculated in compliance with the procedures set out in Article 9, paragraph 2 and 3. Any transaction which has been approved by the Board of Directors in accordance with these Procedures may be excluded.

With respect to the acquisition or disposal of operating-use equipment between a public company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT \$500 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

In determining whether to approve an acquisition or disposal of assets, the Board of Directors shall take into full consideration each Independent Director's opinion. Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of the Board of Directors.

The matters for which paragraph 2 requires recognition by the Audit Committee shall be approved

by more than half of all audit committee members and submitted to the board of directors for a resolution.

Without the approval by more than half of all audit committee members, the transaction hereto may also be approved and adopted by two third (2/3) of members of the Board of Directors with the detail of the Audit Committee's decision being recorded in the Board meeting minutes.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

3. In the case of acquisition of real property from a related party, the Company shall evaluate the reasonableness of the transaction cost as follows:

A. Based on the purchase price plus necessary interest on funding and the costs to be borne by the Company. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year of the acquisition; provided, it may not be higher than the maximum non-financial industry lending rate prescribed by the Ministry of Finance.

B. If the related party has previously created a mortgage on the real property as security for a loan provided by a financial institution which is not a related party of any party to the proposed transaction for more than one year and the cumulative loan balance has been 70% or more of the value of the real property appraised by the financial institution, based on the value appraised by the financial institution.

In the case of acquisition of land and structures thereupon in one transaction, the transaction cost for the land and the structures may be separately evaluated in accordance with either of the means set forth above.

In the case of acquisition of real property from a related party, in addition to the evaluation of the transaction cost in accordance with the preceding two paragraphs, the Company shall retain certified public accountants to review such evaluation and render specific opinions.

In the case of any of the following for acquisition of real property from a related party, the preceding Article 15, paragraph 2, shall apply instead of Article 15, paragraph 3:

- a. The related party acquired the real property by inheritance or intestacy or due to gratuity;
- b. The related party acquired the real property 5 years prior to the scheduled date of the transaction agreement; or
- c. The Company is acquiring the real property by way of retaining the related party to construct on land owned or rented by the Company or participating in a joint construction project with the related party.

4. If the transaction cost evaluated in accordance with Article 15, paragraph 3, are uniformly lower than the purchase price and none of the following circumstances exists (the existence shall be supported by objective evidence and appraisal reports or reasonableness opinions of certified public accountants), Article 15, paragraph 5, shall apply:

A. Where the related party acquired undeveloped land or leased land for development,

- a. The aggregate value of the undeveloped land, which is evaluated in accordance with Article 15, paragraph 3, and the structures thereon, which is evaluated by the sum of the related party's construction costs and reasonable construction profits, exceeds the purchase price in the proposed transaction. "Reasonable construction profits" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three 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.

b. The terms of the proposed transaction are similar to those of the sales and purchases of other flats in the same structure or of other equivalent real property in the same neighborhood between unrelated parties within one year, after reasonably adjusted in accordance with market practices to reflect the difference of floors or parcels; or

c. The terms of the proposed transaction are similar to those of the lease of other flats in the same structure between unrelated parties within one year, after reasonably adjusted in accordance with market practices to reflect the difference of floors.

B. The terms of the proposed transaction are similar to those of the sales and purchases of other equivalent real property in the same neighborhood between unrelated parties within one year.

The same neighborhood shall be defined in principle as the same or an adjacent block within 500 meters of the real property to be acquired or with close current land value published by the authorities. An equivalent property shall mean in principle a property whose size is not smaller than 50% of that of the real property to be acquired. "Within one year" shall mean within one year before the date of occurrence of a specified acquisition or disposal of real property.

5. In the case of acquisition of real property from a related party, if the transaction cost evaluated in accordance with either of the preceding Article 15, paragraph 3 and 4, are uniformly lower than the purchase price, the Company shall take the following steps:

A. A special reserve shall be duly set aside against the difference between the purchase price and the transaction cost in accordance with Article 41, paragraph 1 of the Securities and Exchange Act, and may not be distributed or capitalized as dividends or bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

B. Independent Director of the audit committee shall comply with Article 218 of the Company Act.

C. Actions taken pursuant to subparagraph 1 and subparagraph 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.

Special reserves set aside under this paragraph 6 may not be distributed or capitalized until the Company has recognized a loss on decline in market value of the real property acquired at a premium, or such property has been disposed of, or the Company has been adequately compensated, or the status quo ante has been restored, or there is evidence supporting the reasonableness of the transaction, with the approval of the Financial Supervisory Commission.

Even if it is found that a specific acquisition of real property from a related party is irregular, the preceding two paragraphs shall still apply.

Article 16: Merger, Spin-off, Acquisition or Share Transfer

1. In the case of a merger, spin-off, acquisition or share transfer under applicable laws, the Company shall retain a certified public accountant, lawyer or securities underwriter to render opinions on the reasonableness of the share exchange ratio, acquisition price or other consideration, and present such opinions to the Board of Directors for deliberation. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent 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 percent of the respective subsidiaries' issued shares or authorized capital.

2. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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

3. The Company participating in a merger, spin-off or acquisition shall convene a board meeting and a shareholders' meeting respectively on the dates same as other participating companies to discuss and resolve matters relevant to the merger, spin-off or acquisition, unless otherwise provided by applicable laws or prior approved by the Financial Supervisory Commission due to extraordinary reasons.

The Company participating in a share transfer shall convene a board meeting on the date same as other participating companies to discuss and resolve matters relevant to the share transfer, unless otherwise provided by applicable laws or prior approved by the Financial Supervisory Commission due to extraordinary reasons.

When participating in a merger, spin-off, acquisition or share transfer, the Company shall prepare a full written record of the following information and preserve it for five years:

A. Basic information of working personnel: Including the occupational titles, names and national ID numbers (or passport numbers in the case of foreigners) of all persons involved in the planning or implementation of any merger, spin-off, acquisition or share transfer prior to public disclosure of the merger, spin-off, acquisition, or share transfer.

B. Dates of material events: Including the date of signing any letter of intent or memorandum of understanding, the date of retaining a financial or legal advisor, the date of transaction agreement, and the date of board meeting.

C. Material documents and meeting minutes: Including the merger, spin-off, acquisition or share transfer plans, any letter of intent or memorandum of understanding, material agreements and board meeting minutes.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within two days of the board resolution approving the merger, spin-off, acquisition or share transfer, file the information set forth in subparagraphs 1 and 2 with the Financial Supervisory Commission, using the prescribed format and via the internet-based information system, for record.

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(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and 4.

4. Each person involved in or aware of the planning or implementation of any merger, spin-off, acquisition or share transfer shall sign a written undertaking of confidentiality, undertaking not to disclose any content of the plan of merger, spin-off, acquisition or share transfer prior to public disclosure of the same, and not to trade, in its own name or under the name of others, in any stock or other equity security of any company participating in the merger, spin-off, acquisition or share transfer.

5. The share exchange ratio or acquisition price in a merger, spin-off, acquisition or share transfer may not be modified unless any of the following events occurs, and such events shall be set forth in the relevant transaction agreement:

A. Issuance of new shares for cash consideration, convertible bonds, bonus shares, bonds with warrants, preferred shares with warrants, stock warrants or other equity based securities.

B. Any action, such as a disposal of major assets that affects any participating company's financial or business status.

C. Any event, such as a major disaster or major change in technology that affects shareholder equity or share price of any participating company.

D. Buyback of shares by any participating company.

E. One or more additional companies joining the plan of merger, spin-off, acquisition or share transfer or one or more participating companies withdrawing from the plan of merger, spin-off, acquisition or share transfer.

F. Any other event which has been set forth in the relevant transaction agreement and disclosed to the public.

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

A. Handling of breach of contract.

B. 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.

C. 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.

D. The manner of handling changes in the number of participating entities or companies.

E. Preliminary progress schedule for plan execution, and anticipated completion date.

F. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

7. After the disclosure of a plan of merger, spin-off, acquisition or share transfer to the public, if there is any change to co-participating companies, the Company shall initiate a new process to evaluate, approve and implement the plan, unless such change is resulted from withdrawal of the plan by one or more participating companies only and the Board of Directors has been authorized to modify the plan in the event of such change.

8. The Company shall also enter into agreements with any other participating companies whose shares are not listed on an exchange nor traded on an OTC market and require compliance with Article 16, paragraphs 3, 4 & 7.

Article 17: Public announcement correct procedures:

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.

Article 18: The Company's managers and other persons-in-charge violating the "Procedures for Acquisition or Disposal of Assets" shall be sanctioned subject to the Company's discipline rules.

Article 19: Adoption and amendment procedures"

When the "Procedures for Acquisition or Disposal of Assets" are adopted or amended, they shall be submitted to the Audit Committee and presented to the Board of Directors for its approval, and then to a shareholders' meeting for approval. If a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.

In determining whether to approve and adopt the "Procedures for Acquisition or Disposal of Assets" and any amendment hereto, the Board of Directors shall take into full consideration each Independent Director's opinion. Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of the Board of Directors.

The adoption of the "Procedures for Acquisition or Disposal of Assets" and any amendment hereto shall be approved by a majority of members of the Audit Committee and then submitted to the Board of Directors for its approval. Without the approval of the Audit Committee, these Procedures and any amendment hereto may also be approved and adopted by two third (2/3) of members of the Board of Directors with the detail of the Audit Committee's decision being recorded in the Board meeting minutes.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 20:

Any matter not set forth in this Procedures shall be governed by the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", provided that where otherwise specified by an act or regulation, such other provision shall apply.

The Procedures was adopted on Dec 26, 1995.

The first amendment hereto was adopted on Apr 18, 2000.

The second amendment hereto was adopted on Jun 03, 2003.

The third amendment hereto was adopted on Jun 12, 2006.

The fourth amendment hereto was adopted on Jun 11, 2007.

The fifth amendment hereto was adopted on Jun 28, 2012.

The sixth amendment hereto was adopted on Jun 11, 2014.

The seventh amendment hereto was adopted on May 29, 2018.