



Sino-American Silicon Products Inc.

Acquisition or Disposal of Assets Procedure

Article 1

These Procedures for acquisition or disposal of assets ("Procedures") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and the Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies

Article 2

Asset referred in this policy includes:

1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Tangible (including land, housing and construction, investment real estate, inventory of the construction) and equipment.
3. Memberships
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets
6. Claims of financial institutions (e.g. receivables, bills purchased and discounted, loans, and past due receivables)
7. Derivatives
8. Asset acquired or disposed through merger, acquisition, spin-off, and share transfer
9. Other major assets

Article 3

Operating procedures

1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.
2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.
3. Amount limits for investment in non- operational purpose fixed assets or right-of-use assets, and securities are as below:
 - (1) The total amount of non-operational purpose fixed assets or right-of-use assets purchased by the Corporation may not exceed 15% of the Corporation's net worth; the



total amount of non-operational purpose fixed assets or right-of-use assets purchased by a subsidiary of the Corporation may not exceed 5% of the Corporation's net worth.

- (2) The total amount of investment by the Corporation in all long/short term securities may not exceed 50% of its net worth; the total amount of investment in all long/short term securities by a subsidiary of the Corporation may not exceed 30% of the Corporation's net worth.
- (3) The amount of the Corporation's investment in any single security may not exceed 30% of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20% of the Corporation's net worth.
- (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in capital.

The dissenting or qualified opinions from the Independent Director(s) of the Company on the matters submitted to the Board of Directors for discussion in accordance with the previous paragraph of this Article shall be placed on record in the meeting minutes of the Board of Directors meeting.

If the Company has established the audit committee, the transaction of major assets or derivatives shall be approved with the consent of one-half or more than one-half of all members of such audit committee and then be submitted to the Board of Directors for approval.

If the aforesaid transaction of major assets or derivatives has not been approved by such audit committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The Audit Committee members and the board of directors members in preceding paragraph will only calculate the members in present position.

Article 4

Limits of Authority

1. The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure.
 - (1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under 100 million shall be approved by Chairman.
 - (2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.
 - (3) The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$100,000,000 shall be approved by the chairperson beforehand.



1. Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.

Article 5

Public disclosure

1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:
 - (1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets 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; provided, this shall not apply to trading of domestic government bonds, bonds under repurchase, resale agreements, subscription or buyback of the fund of the domestic money market issued by securities investment trust business unit.
 - (2) Merger, acquisition, spin-off and share transfer
 - (3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.
 - (4) Operational used equipment or right-of-use assets exceeding NT\$500 million and not purchased from related party.
 - (5) Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale of an invested amount exceeding NT\$500 million and not purchased from related party.
 - (6) Except the above 5 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid-in capital or NTD 300,000,000. The following does not apply to the limit:
 - a. Domestic government bond
 - b. Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market.
2. Calculation criteria
 - (1) Per transaction amount
 - (2) Cumulated amount with the same party or similar objects within one year.
 - (3) Cumulated amount of fixed asset or right-of-use assets for the same project within one year. (acquisition and disposition each)
 - (4) Cumulated amount of the same security within one year. (cumulative acquisition and disposition, respectively).
3. One year period in sub-section 2 is dating back from the date of concerned transactions, the announced period is except from counting in again.
4. The Company shall monthly enter into the transaction situations of the derivative products



engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month in accordance to the stipulated form to the FSC's designated website for filing information before the 10th of each month.

5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed within 2 days into a public announcement and reported to the competent authority by the Company.
6. Unless otherwise provided by other laws, the Company's acquisition or disposition of assets shall keep in reserve the relevant contracts, meeting minutes, registry, appraisal report, and the opinion books by accountant, attorneys or security underwriters for at least 5 years.

Article 6 : Procedures of Announcement and Filing

After announcing and filing the transaction in accordance to the provisions, provided that one of the following conditions exist, the Company shall announce and file the relevant data and information to the FSC's designated website within two days commencing immediately from the date of occurrence of the event:

- (1) The executed relevant contracts of the original transaction have been changed, terminated or ceased.
- (2) Mergers, splits, acquisition or shares transference have not been completed in accordance to the anticipated timeframe set in the contracts.
- (3) Change to the originally publicly announced and reported information.

Article 7

The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset, equipments or right-of-use assets cost 20% of paid-in capital or more than NTD 300,000,000, unless transaction with domestic government institutions, structures built on own land, structure build on rent land, or acquisition of operational purpose machinery and equipment or right-of-use assets. Also the follow requirements shall also be followed:

1. In the case that the price is decided from limited price, specified price or special price, the transaction shall be submitted for approval by the board of directors. Any changes in transaction terms and conditions, the same procedure should be followed.
2. Obtain more than 2 professional appraisals if the transaction amount is more than NTD 1,000,000,000.
1. 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 Accounting Research and Development Foundation (hereinafter, ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) Variation of the appraisal result and the transaction amount is more than 20%



- (2) Variation of the 2 appraisal result is 10% or more than the transaction amount.
2. Professional appraiser, no more than three months may pass between the date of the appraisal report and the contract execution date. Where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 8

Before investing or selling any securities, current audited financial statements of the target securities should be obtained and analyzed to evaluate the transaction price prior to the date of occurrence of the event. Transaction amount exceeding 20% of the paid-in capital or NTD 300,000,000 should have accountant's analysis prior to the date of occurrence of the event. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Securities trades in active market or price by Financial Supervisory Commission do not required the procedure above.

Article 9

In acquiring or disposing intangible assets, right-of-use assets or membership certificate by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, apart from any transactions with the domestic government institutions, an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding two articles and this article shall be done in accordance with Article 5, 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.

Article 10

When acquisition or disposal of assets through courthouse auction, evidentiary documentation issued by the court maybe substitute for the appraisal report or CPA opinion.

Article 11

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 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 comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining 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 comprehensiveness, accuracy, 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 reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 12 : Purchase of Real Estate from Related Parties

1. The Company acquires or dispose asset from related parties, the transaction shall be made in accordance with relevant resolution and evaluate the reasonableness of the transaction terms, if the transaction amount reaches 10% or more of the Company's total assets, the Company should also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure.

The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with section 2 of Article 9 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets 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, apart from transactions of domestic bonds, RP and RS bonds, the subscription or buyback of the domestic money market issued by securities investment trust business unit, 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 and recognized by the audit committee:
 - (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (2) Reasons of determination of the related persons as the transaction party
 - (3) With respect to the acquisition of real property or right-of-use assets from a related party, relevant information for evaluating the reasonableness of the anticipated



transaction conditions pursuant to the related provisions

- (4) Items such as the date and price originally acquired by the related party, transaction counterparty and its relations between the Company and the related party
- (5) The forecasting chart for cash received in each month for one year in the future from the anticipated month of contract execution, with the evaluation on the necessity of the transaction and the reasonableness of the fund usage
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Conditions and other important agreed items of the transaction

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, 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 recognized by the audit committee need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent, subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.
3. When the Company acquires fixed assets or right-of-use assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with the following methods: Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above, and should also engage a CPA to check the appraisal and render a specific opinion.
 - a. Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.
 - b. Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.

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

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

4. Where the Company acquires real property or right-of-use assets from related parties and one of the following circumstances exists, the acquisition shall be conducted in



accordance with the section 2 in this Article and the preceding section 3 do not apply:

- (1) The related party acquired the real estate or right-of-use assets due to succession or gift.
 - (2) The lapse between the date of acquisition of real estate or right-of-use assets and the date of the transaction has been more than five years.
 - (3) The acquisition of real estate is based on the cooperative construction contract with the related parties or own-land construction via agency by agreement, construction on rental land via agency by agreement etc.
 - (4) The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
5. When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with section 6 of this Article. 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:
 - a. 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.
 - b. 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.
 - (3) 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 percent 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.
6. Where a public company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the section 3 to 5 of this



Article are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with the rules against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under the rules shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (2) The audit committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to the preceding subparagraphs 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 FSC 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 paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 13

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 approval. However, mergers of subsidiaries with the Company or with subsidiaries whose outstanding shares or capital is 100% directly or indirectly owned by the Company needs not offer a reasonable opinion from experts.

Article 14

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition.

If a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

Where the shareholders meeting 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 shall immediately publicly explain the reason, the follow-up operations, and the preliminary date of the next shareholders meeting.



Article 15

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, spin-off, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The contract for participation by the Company in a merger, spin-off, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or transfer of shares.

The Company shall prepare the following information in written record and retain it for 5 years for check.

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

The Company shall, within two days commencing immediately 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 set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

If the opposite party of the transaction of merger, spin-off, acquisition or shares transfer in which the Company participates is not a listed company or an over-the-counter-listed company, the Company shall enter into an agreement with such party and shall comply with the preceding regulations.

Article 16

Every person participating in or privy to the plan for merger, spin-off, acquisition, or transfer of shares shall sign confidentiality agreement 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 security of any Company related to the plan for merger, spin-off, acquisition, or transfer of shares.

Article 17

The Company participating in a merger, spin-off, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, 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, which affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, spin-off, 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, spin-off, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 18

The contract for 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 19

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies 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, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.



Article 20

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company should sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 15, Article 16, and Article 19.

Article 21

Acquisition or disposal of assets by the Company's subsidiary shall obey as follows:

1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.
2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary.
3. "Reaching 20% of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital or total assets of the parent Company.
4. The term "subsidiary" as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:
 - (1) the invested Company in which the Company directly holds more than 50% issued voting shares
 - (2) each invested Company in which the Company through its subsidiaries indirectly holds more than 50% issued voting shares and the rest shall apply the same.
 - (3) each invested Company in which the Company directly and through its subsidiaries indirectly holds more than 50% issued voting shares and the rest shall apply the same.

Article 22

The Company should comply with Derivative Instruments Transactions Procedure when engaging in derivatives trading.

Article 23 : Financial report disclosure

The Company shall disclose the information of transaction of assets in financial statement and announce in shareholder's meeting if the acquisition or disposal transaction meets the disclosure requirements set forth in Article 5 and also the transaction is with related parties.

Article 24

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



Article 25

After the Procedures are approved by more than half of all audit committee, the Procedures shall be submitted to the board of directors, and ratified by the Shareholders Meeting. Any written objection or statement from directors of the Board shall be submitted to the shareholders' meeting.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. All members of the audit committee and all directors referred to in the preceding paragraph shall be the actual incumbents.

Article 26

If the manager or the sponsor violates the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or this procedure, the punishment shall be dealt with in accordance with the Company's "Measures for the Personnel Review Committee".

Article 27

The Procedures were enacted on May 29, 1990

The 1st amendment was made on April 26, 1996

The 2nd amendment was made on November 24, 1998

The 3rd amendment was made on March 19, 1999

The 4th amendment was made on December 22, 1999

The 5th amendment was made on January 28, 2000

The 6th amendment was made on August 18, 2000

The 7th amendment was made on October 13, 2000

The 8th amendment was made on March 25, 2002

The 9th amendment was made on September 10, 2002

The 10th amendment was made on June 13, 2003

The 11th amendment was made on June 8, 2006

The 12th amendment was made on June 21, 2007

The 13th amendment was made on June 17, 2011

The 14th amendment was made on June 27, 2012

The 15th amendment was made on June 26, 2014.

The 16th amendment was made on June 25, 2015.

The 17th amendment was made on June 27, 2017.

The 18th amendment was made on June 27, 2019.