

# Bora Pharmaceuticals Co., Ltd.

## Procedure for Acquiring and Disposing Assets

### Article 1 Purpose

To ensure investment and information disclosure, the Company's acquisition or disposal of assets shall be made in accordance with this Procedure.

### Article 2 In Accordance With

This Procedure is formulated in accordance with Article 36 Paragraph 1 of Securities Exchange Act and Regulation Governing the Acquisition and Disposal of Assets by Public Companies. If there are other guidance from financial related regulation, such regulation shall prevail.

### Article 3

"Assets" used herein means:

1. Securities investments (including equities, bonds, corporate bonds, bank indentures, security interest in funds, depository receipts, warrants, beneficiary securities, asset based securities, and short term investment.);
2. Real estate (including lands, plants and buildings, investment property and inventory for construction industry) and equipment;
3. Memberships;
4. Patents, copyrights, trademarks, franchise rights as intangible assets;
5. Right-of-use assets;
6. Claims from financial institution (including receivable, discounting on foreign exchange purchase, loan, and overdue receivable).
7. Derivatives products;
8. Assets that are acquired or disposed through mergers, spin-offs, acquisitions or share transfers
9. Other major assets.

### Article 4

Terms in this Procedure is defined as follows:

1. The term "derivatives" as used herein refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, which have the value derived from the specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, other variables; or hybrid contracts combining the above contracts; or hybrid contracts or structured products 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. The term "assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law" as used herein are the ones acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, other acts, or to transfer of shares 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 Parties" and "Subsidiaries" used herein mean those companies satisfying the relevant standards stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. The term "professional appraiser" as used herein refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or equipment.
5. The term "date of occurrence" as used herein 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. For investment for which approval from the local regulation is required, the earlier of the above date or the date of receipt of approval from the local regulation shall apply.
6. The term "Mainland area investment" as used herein refers to investments in China 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. "Latest Financial Statements" used herein means the financial statements of the Company audited or reviewed by a certified public accountant which has been disclosed in accordance with applicable regulation before the subject acquisition or disposal of assets.
8. The term "10 percent of total assets" as used herein refers to total assets stated in the most recent standalone or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
9. When the stock has no par value or its par value is not NT \$10, the transaction amount of 20% paid in capital shall be calculated based on the 10% equity attributed to the parent company. For transaction that the amount of paid in capital reach NT \$10 billion, the equity attributed to the parent company shall be calculated as NT \$20 billion.
10. The term "Investment Professionals" as used herein refer to financial holding

companies, banks, insurance companies, bill finance companies, trust companies, securities companies that operate dealing and underwriting business, future companies that operate dealing business, securities investment trust companies, securities investment consulting companies, and fund management companies.

11. Stock Exchange: for domestic stock exchange, it refers to Taiwan Stock Exchange Corporation. For foreign stock exchange, it refers to any organization that operates stock exchange and is governed by local regulation.
12. The domestic over-the-counter (“OTC”) venue refers to a venue for OTC trading specifically 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 5 Evaluating procedure

1. The acquisition or disposal of securities that are not traded on the centralized security exchange market or through securities firm shall consider its net value per share, profitability, future development potential, market interest rate, bond coupon rate, debtor’s credit and current transaction price.
2. The acquisition or disposal of securities that are traded on the centralized exchange market or through securities firm shall be determined according to the current price of equity or bonds.
3. The acquisition or disposal of asset other than assets listed in the above two paragraph shall be done in price inquiry, price comparison, price negotiation, or open tender. Assessed present value, evaluated present value, and the actual transaction price of the adjacent real estate shall be considered. When public announcement is needed to follow this Procedure, the appraisal report issued by the professional appraiser shall be refer to.

#### Article 6 Procedure for acquisition or disposal of asset

1. The responsible department shall evaluate the reason, underlying asset, transaction party, price, payment term and price when acquiring or disposing assets, and send to the responsible department for approval. Relevant items shall follow the Company’s internal control procedure and this Procedure.
2. The responsible department for the Company’s long and short term security investment is finance department. Responsible department for property, plant, and equipment is administrative department. Acquisition or disposal of asset is approved after evaluation from the responsible department.

3. For acquiring or disposing asset related procedure, the Company's internal control guideline, regulation and this Procedure shall be followed. If the manager or in charge violates this Procedure and cause material damage to the Company, the Company will impose sanction in accordance with related personnel regulation.

#### Article 7 Authorization

1. For acquisition or disposal of long and short term securities, the responsible department shall execution the transaction after the trading purpose, reference for the transaction price, and transaction method is approved. When the cumulative yearly transaction amount is below NT 150 million, it shall be approved by the chairman. When the cumulative yearly transaction amount is over NT 150 million, it shall be approved by the Board of Director.
2. For acquisition or disposal of property and its right of use property, equipment and its right of use equipment, intangible asset(patent right, copyright, trademark, franchise, etc) and acquisition and disposal of other investment(excluding derivative product), the responsible department shall execution the transaction after the trading purpose, reference for the transaction price, and transaction method is approved. When the cumulative yearly transaction amount is not exceeding NT 100 million, it shall be approved by the general manager. When the cumulative yearly transaction amount is exceeding NT 100 million but not exceeding NT 200 million, it shall be approved by the Chairman. When the cumulative yearly transaction amount is exceeding NT 200 million, it shall be approved by the Board of Directors.
3. If the Company has set up the audit committee in accordance with the Security and Exchange Act, the audit committee shall approve and send to Board of Director for resolution when material acquisition or disposal of asset happens.

#### Article 8 Investment scope and amount

The Company and its subsidiary may purchase real property that is not for operating purpose, right-of-use asset or securities, the purchasing limit is as follows:

1. For real property that is not for operating purpose, right-of-use asset, the purchasing limit cannot exceed the Company's 200% net worth. For subsidiary, the purchasing limit cannot exceed the subsidiary's 200% net worth.
2. For long term investment securities, the purchasing limit cannot exceed the Company's 400% net worth. For subsidiary, the purchasing limit cannot exceed the subsidiary's 200% net worth.
3. For short term investment securities, the purchasing limit cannot exceed the Company's 80% net worth. For individual securities, the purchasing limit cannot

exceed the Company's 40% net worth. For subsidiary, the purchasing limit cannot exceed the subsidiary's 40% net worth.

#### Article 9 Public Disclosure

The Company shall report and publicly disclose the following acquisition or disposal of assets in accordance with the relevant regulations within two days to the Financial Supervisory Commission on the designated website commencing immediately from the Date of the Event:

1. The acquisition or disposal of real estate or related right-of-use assets from or to a related party, or acquisition or disposal of assets other than real estate or related right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, this shall not apply to buying or selling of domestic government bonds or bonds under repurchase and resale agreements, nor to subscription or redemption of money market funds issued by domestic securities investment trusts;
2. Mergers, spin-offs, acquisitions or shares transfer;
3. The acquisition or disposal of other assets where the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million.
4. When acquiring or disposing of real estate or related right-of-use assets with non-related party and the transaction amount reaches the following:
  - a. For public company with paid in capital of less than NT \$10 billion, the transaction amount reaches NT \$0.5 billion.
  - b. For public company with paid in capital of more than NT \$10 billion, the transaction amount reaches NT \$1 billion.
5. The acquisition or disposal of real estate or related right-of-use assets for the construction company and when the transaction party is not a related party, when the transaction amount reaches NT \$0.5 billion with paid in capital of more than NT \$10 billion. When disposing the property that is owned constructed with non related party, the transaction amount reaches NT \$1 billion.
6. Acquisition of real estate by way of contracting third parties to construct on land owned or leased by the Company, distribution of building under joint construction project, distribution of profit under joint construction project, or selling building under joint construction project with non-related parties, and the amount of transaction not exceeding NT\$ 500 million (based on the amount the Company intends to contribute).
7. Except for the asset transaction from the preceding 6 paragraph, disposing creditor right for the financial institution, or investment in mainland China, the transaction

amount reach 20% of the Company's paid-in capital or NT\$ 300 million. However, The following situations shall not be subject to the above reporting/disclosure requirements:

- a. Buying or selling domestic government bonds or foreign government bond that its credit rating that is not lower our sovereign credit rating;
- b. Buying or selling bonds and foreign government bonds under repurchase and resale agreements, or subscribing or redeeming money market funds issued by domestic securities investment trusts;
- c. Acquisition or disposal of bonds with buy-back and sell-back clause, purchase and buy-back of money market funds issued by domestic trust company

The "transaction amount" referred to above shall be calculated as follows:

1. The amount of each single transaction for acquisition or disposal of assets;
2. The cumulative amount of several transactions with the same party for the acquisition or disposal of the same kind of assets within one year;
3. The cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of real estate or related right-of-use assets under the same development project within one year;.
4. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of the same security within one year.

"Within one year" as used in the preceding paragraph refers to one year preceding the Date of the Event of the subject acquisition or disposal of assets. Transactions that have been previously disclosed in accordance with the Procedures shall be excluded.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for five years except where another act provides otherwise.

#### Article 10

After the Company publicly announced and reported in accordance with the previous article, a public report of relevant information shall be made on the information reporting website designated by the competent authorities within two days from the date of occurrence of such 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.

#### Article 11

In acquiring or disposing 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, unless transacting is engaged with a domestic government agency, for others to build on its own land, for others to build on rented land, or acquiring or disposing of business equipment or right-of-use assets thereof, an appraisal report prior to the date of occurrence of the event from a professional appraiser shall be obtained and follow the below guidance:

1. Where special circumstances happens and a limited price, specified price, or special price is necessary as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall 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 CPA 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 12

When the Company acquiring or disposing security, the most recent financial statement audited and reviewed by a certified public accountant of the underlying

company shall be obtained for reference.

For the acquisition or disposition of the securities with a transaction amount reaching or exceed 20% of the Company's paid-in capital or NT\$300 million, the Company shall also engage a certified public accountant prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price in accordance with Auditing Standard No. 20 issued by Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authorities.

#### Article 13

For the acquisition or disposition of the intangible asset, right-of-use assets, or membership with a transaction amount reaching or exceed 20% of the Company's paid-in capital or NT\$300 million, the Company shall also engage a certified public accountant prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price in accordance with Auditing Standard No. 20 issued by Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authorities.

#### Article 13-1

The calculation of the transaction amounts referred to in the preceding 3 paragraph shall follow Article 9, Paragraph 2. "Within the receding 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 14

For the assets acquired or disposed through the court auction procedure, the Company may use the certificate documents issued by the court to replace the appraisal report or CPA's opinions

#### Article 15

The professional appraisers, certified public accounts, attorneys, and securities underwriters that provide appraisal reports to the Company shall meet the following requirements:

1. May not have previously received a final and un-appealable sentence to imprisonment for one year or longer for a violation of the Securities and Exchange



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, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, such expiration of the period of a suspended sentence, or 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 not be related parties or *de facto* related parties of each other.

When issuing the appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Before accepting the case appointment, the personnel shall prudently assess and evaluate their own professional capabilities, practical experience, and independence.
2. When examining a case, the personnel 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. The personnel shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the used parameters, and the used information as the basis for issuance of the appraisal report or the opinion.
4. The personnel shall issue a statement and the content of the statement shall include stating the professional competence and independence of the personnel who prepared the report or opinion, and stating 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 16

When Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised are required. When 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 this Procedure.

The calculation of the above transaction amount shall follow Article 13-1.

When evaluating if the counterparty is a related party, both of its legal form and substantive relationship has to be considered.

#### Article 17

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, except for 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 agreed by the audit committee and 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 trading 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
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading 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.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to above in this Paragraph shall be made in accordance with Article 9, Paragraph 2, 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 agreed by the audit committee and approved by the Board of Directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when the transaction is being conducted by the Company, its subsidiary, or subsidiary in which the Company directly or indirectly own one hundred percent of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Article 7, Paragraph 2,

delegate the chairman to decide such matters when the transaction is within a certain amount 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.

During the Board discussion in accordance to paragraph 1, each Independent Director's opinion shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.

For Audit Committee's resolution item in paragraph 1, it shall be agreed by no less than half of all audit committee members and approved by the Board of Directors, and enter into force after the approval of resolution by the Shareholders Meeting, in accordance to Article 30 Paragraph 4 to 5.

#### Article 18

When acquiring real property or right-of-use assets from a related party, below procedure shall be used to evaluate the reasonableness of the transaction costs.

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
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 one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

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

When acquiring 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 paragraph shall also engage a CPA to check the appraisal and render a specific opinion.

When acquiring real property or right-of-use assets thereof from a related party, Article 17 shall be followed when the below condition exist and the above three

paragraph shall not be applicable.

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than five years 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 owned or rented land.
4. The real property right-of-use assets for business use are acquired by the Company with its parent or its subsidiaries, or by the Company's subsidiaries in which the Company directly or indirectly holds one hundred percent of the issued shares or authorized capital.

#### Article 19

In the case that the transaction price of the real property or right-of-use assets thereof acquiring from a related party is higher than the result of the assessment made according to paragraph 1 and 2 of the proceeding article, Article 20 of this Procedure shall be followed. 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 be applied:

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 above procedure, and structures are appraised according to the related party's construction cost plus reasonable construction profit, and the aggregate appraised value of such land and structures is 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 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.
  - (2) Completed unrelated-party transactions within the preceding year involving other floors of the same property or properties in the neighboring area, 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 sales or leasing practices.
2. 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 unrelated-party transactions involving properties of a similar size in the neighboring area within the preceding year.

Completed transactions involving properties in the neighboring area in principle refers to properties located 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; transaction 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 one year refers to one year from the actual date of acquisition of the real property or obtainment of the right-use-assets thereof.

#### Article 20

Acquiring real property or right-use-assets from a related party and the results of appraisals conducted in accordance with the preceding 2 Article 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 or right-use-assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. When the investor is a public company and use equity method to evaluate the investment, the investor shall set aside a special reserve proportionally to the shares it owned.
2. The supervisor shall comply with the provisions of Article 218 of the Company Act. When the company has set up the audit committee, the preceding paragraph shall apply to independent director members of the audit committee.
3. The processing status of preceding two paragraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If the company has set aside the special surplus reserve in accordance with the provisions of the preceding paragraph, the assets purchased or leased at a higher price should be recognized as a loss in value or disposed of or terminated, or to be properly compensated or restored to the original state, or if there is other evidence to determine that it is not unreasonable, The special surplus reserve may only be used with the approval of the Financial Supervisory Commission.

When the Company acquire real property or right-use-assets from the related party and there is evidence of non-regular business practice, the preceding two paragraph shall be followed.

#### Article 21

When the Company engages in derivative financial products, the Company's "Procedure for Engaging in Financial Derivative Transaction" shall be followed. Risk management and audit item shall be take care to ensure internal control is followed.

#### Article 22

At the same time, prior to convening the board of directors meeting 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 the aforesaid expert opinion on reasonableness may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the total issued shares or capital amount, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiary's total issued shares or capital amount.

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 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.

For public company to merge a subsidiary in which it directly or indirectly holds 100 percent of the total issued shares or capital amount, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiary's total issued shares or capital amount, the aforesaid expert opinion on reasonableness may be exempted.

#### Article 23

Unless the stipulated by other laws or special factors pre-approved by the Financial Supervisory Commission, the Company shall hold the Board of Director and

Stockholder Meeting in one day to resolve on merger, demerger and acquisition related matter.

Unless the stipulated by other laws or special factors pre-approved by the Financial Supervisory Commission, the participating Company shall hold the Board of Director on the same day.

When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, the below information shall be documented for written record and keep for 5 years for audit.

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, demerger, 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, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

Within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, the Company shall report the information from preceding paragraph 1 and paragraph 2 to Financial Supervisory Commission through prescribe Internet format.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 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 Paragraph 2, Sub-paragraph 7, Items a & b of this Article to the competent authorities 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 it and follow paragraph 3 and 4.

#### Article 24

When the Company engages in the merger, demerger, acquisition or transfer of shares, share exchange ratio and acquisition price shall not be changed unless the following items happens. The merger, demerger, acquisition or transfer of shares contract shall document the change in condition:

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 or conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 25

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 26

When the Company engages in the merger, demerger, acquisition or transfer of shares, the contract should document the participating companies' rights and obligation. The following item shall also be documented:

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 27

After public disclosure of the information on merger, demerger, acquisition, or transfer of shares, if any participating company intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out a new 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.

#### Article 28 Guidance on acquiring and disposing assets for subsidiary

1. The subsidiary shall formulate and execute “Procedure for Acquiring and Disposing Assets” in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
2. If any subsidiary of the Company is not an ROC public company, the Company shall announce and report on behalf of such subsidiary any matter that such subsidiary meets the public announcement criteria issued by “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
3. When the public announcement criteria for paid-in capital and total assets mentioned on article 9, paragraph 1 applies to the subsidiary. It shall mean the Company’s paid-in capital and total assets.

#### Article 29 Financial statement disclosure item

When the Company acquires or disposes assets which meets the public announcement criteria mentioned on article 9 and the transaction party is a related party, the

Company shall disclose the public announcement on the footnote of the financial statement and send to the Shareholders Meeting for approval of resolution.

#### Article 30. Implementation and revision

The Procedure shall be agreed by no less than half of all audit committee members and approved by the Board of Directors, and enter into force after the approval of resolution by the Shareholders Meeting. If any Director has any dissenting opinions or makes any reservation, they shall be recorded and send to Audit Committee for further discussion.

When the Procedure is submitted to the Board of Directors for discussion in accordance with the Provision herein, each Independent Director's opinion shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.

When the Company formulate or amend this Procedure, it shall be agreed by no less than half of all audit committee members, and approval of resolution by the Board of Director and Shareholder Meeting.

If approval by no less than half of the audit committee member is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors shall be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors.

The calculation of the number of the abovementioned audit committee members and Directors is based on those who at the time take office.

#### Article 31

The procedure was formulated on May 14, 2014.

The first amendment was made on August 25, 2014; the second amendment was made on April 9, 2015; the third amendment is made on June 20, 2017; the fourth amendment was made on February 5, 2018; the fifth amendment was made on June 11, 2019; the sixth amendments was made on May 24, 2022; and the seventh amendments was made on June 6, 2023; and the eighth amendments was made on May 27, 2024.