

Prime Oil Chemical Service Corporation

Procedures for Acquisition or Disposal of Assets

Revised at the general shareholders' meeting on June 10, 2025

Article 1: Purpose

In order to protect investment and implement information disclosure, the Company shall follow the procedures when acquiring or disposing of assets. However, if the relevant financial laws and regulations provide otherwise, such provisions shall prevail.

Article 2: Legal Basis

The procedures are revised in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Article 3: Scope of Assets

- I. Stocks, bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, call (put) warrants, beneficiary securities and asset-based securities.
- II. Real estate (including land, housing and construction, investment real estate, and inventory of construction) and equipment.
- III. Membership cards.
- IV. Patents, copyrights, trademarks, franchises and other intangible assets.
- V. Right-of-use assets.
- VI. Creditor's rights of financial institutions (including receivables, foreign exchange discounts, loans and overdue receivables).
- VII. Derivative products.
- VIII. Assets acquired or disposed of through merger, division, acquisition or share transfer in accordance with the law.
- IX. Other important assets.

Article 4: Definitions

- I. The derivative products that the Company may be engaged in include forward contracts, option contract, futures contracts, leveraged margin contracts, swap contracts, portfolios of the contracts above, portfolio contracts with embedded derivatives or structured products whose values are derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term forward contract does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts or long-term purchase (sales) contracts.
- II. Assets acquired or disposed of by merger, division, acquisition or share transfer according to law: Assets acquired or disposed of in accordance with the Business

Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws, or issuance of new shares in exchange for the shares of other companies (hereinafter referred to as share transfer) in accordance with Article 156-3 of the Company Act.

- III. Related party/subsidiary: It refers to the party recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: It refers to a real estate appraiser or a person who may be engaged in the appraisal business of real estate or equipment in compliance with the law.
- V. Date of occurrence: It refers to the date of signing, payment, entrusted transaction, ownership transfer, resolution of a Board of Directors or a date on which the trading counterparty and transaction amount may be determined, whichever is earlier. However, for an investment requiring approval from a competent authority, the above date or the date the approval granted by the competent authority, whichever is earlier, shall apply.
- VI. Investment in mainland China: It refers to investment conducted in mainland China in accordance with the Licensing Measures for Investment or Technical Cooperation in Mainland China by the Investment Commission of the Ministry of Economic Affairs.
- VII. Those who specialize in investment: Financial holding companies, banks, insurance companies, bills finance companies, trust companies, securities firms with proprietary or underwriting business, futures dealers with proprietary business, securities investment trust businesses, securities investment consulting businesses and fund management companies which are established in accordance with laws and regulations and managed by local financial authorities.
- VIII. Stock exchanges: The domestic stock exchange refers to the Taiwan Stock Exchange Corporation; foreign stock exchanges refer to any organized securities exchange market managed by the country's securities authority.
- IX. Business premises of securities firms: The business premises of domestic securities firms refer to the premises where securities firms set up counters for trading in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; business premises of foreign securities firms refer to the business premises of financial institutions which are regulated by foreign securities authorities and may operate securities business.

Article 5: The limits of the Company's investment in real estate not for business purposes and its right-of-use assets or securities investment

- I. The limits on the Company's acquisition of the assets above are determined as follows:
 - (I) The total amount of real estate and its use right assets not for business purpose shall not exceed 100% of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.

- (II) The total amount of securities investment shall not exceed 200% of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.
- (III) The total amount of individual securities investment shall not exceed 100% of the Company's net value; for a subsidiary the amount may not exceed 75% of the parent company's net value.

Article 6: For the appraisal report or opinion of accountants, lawyers or securities underwriters obtained by the Company, the professional appraiser and its appraising staff, accountants, lawyers or securities underwriters shall comply with the following requirements:

- I. Having not been sentenced to fixed-term imprisonment of more than one year for violating this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act , and the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery or business crimes. However, this restriction shall not apply if three years have passed after the completion of execution or expiration of probation or after a pardon.
- II. Not a related party of or having a substantial relationship with the transaction parties.
- III. If the Company should obtain the appraisal reports of two or more professional appraisers, the different appraisers or appraising staff shall not be related to each other or have substantial relationship with each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline norms of their trade associations and the following matters:

- I. Careful evaluation of its own professional ability, practical experience and independence shall be performed before undertaking a case.
- II. When executing a case, appropriate operating procedures should be properly planned and implemented to form conclusions and issue a report or opinion; the procedures, information collected and conclusions shall be detailed in the working paper of the case.
- III. The appropriateness and rationality of the data sources, parameters and information used shall be evaluated item by item as the basis for issuing the appraisal report or opinion.
- IV. The statement shall include the professional and independent nature of the relevant personnel, and that the information used in the evaluation is appropriate and reasonable and in compliance with relevant laws and regulations.

Article 7: Procedures for the acquisition or disposal of real estates, equipment or their right-of-use assets

- I. Evaluation and operation procedures:
When acquiring or disposing of real estates, equipment or their right-of-use assets, the Company shall follow the real estate and equipment cycle of its internal control

system.

II. Determination procedures for transaction terms and authorized limits

- (I) When acquiring or disposing of real estate or its right-of-use assets, the Company shall, by reference to the published present value, assessed value and actual transaction price of neighboring real estate, decide on transaction terms and prices, prepare an analysis report and submit it to the Chairman. If the amount is less than NT\$50 million, it shall be submitted to the Chairman for approval and submitted to the next Board of Directors for the record afterwards; if the amount exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.
- (II) The acquisition or disposal of equipment or its right-of-use assets shall be made through price inquiry, price comparison, price negotiation or bidding. If the amount is less than NT\$50 million (inclusive), it shall be approved according to the levels of authority; if the amount exceeds NT\$50 million, it shall be submitted to the Chairman for approval and to the Audit Committee for concurrence, and then submitted to the Board of Directors for a resolution before execution. However, renewable energy related equipment with an amount of NT\$200 million (inclusive) or less shall be approved according to the levels of authority; if the amount exceeds NT\$200 million, it shall be submitted to the Chairman for approval and to the Audit Committee for concurrence, and then submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

When the Company acquires or disposes of the real estate, equipment or its right-of-use assets, the using department and administration department shall be responsible for implementation after the approval according to the approval authority prescribed in the preceding paragraph.

IV. Real estate or equipment appraisal report:

For the Company's acquisition or disposal of real estate, equipment or its right-of-use assets, other than the transactions with domestic government agencies, commissioned construction of self-own land, commissioned construction of leased land, or acquisition or disposal of equipment or its right-of-use assets for business purposes, if the transaction amount reaches 20% of the paid-in capital of the Company or exceeds NT\$300 million, the Company shall obtain an appraisal report issued by a professional appraiser before the date of occurrence, and comply with the following:

- (I) If a limited price, specific price or special price is used as the reference basis for the transaction price due to special reasons, the transaction shall be submitted to the Board of Directors for a resolution first; the same procedure shall be followed if the transaction conditions are changed later.
- (II) If the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be invited to evaluate the transaction.
- (III) In case of any of the following circumstances, except that the appraisal results of

the assets obtained are higher than the transaction amount, or the appraisal results of the disposed assets are lower than the transaction amount, the accountant shall be requested to express a concrete opinion about the reasons for the difference and the fairness of the transaction price:

1. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.
2. The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.

(IV) The interval between the date of the professional appraiser's report and the establishment date of the contract shall not exceed three months. However, if the announced current value of the same period is applicable and the announcement date is less than six months ago, the original professional appraiser may issue a written opinion.

(V) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again.

(VI) If the assets are acquired or disposed of through the auction procedure of the court, the certificate issued by the court may replace the appraisal report or the CPA opinion.

Article 8: Procedures for acquiring or disposing of securities investment

I. Evaluation and operation procedures:

When acquiring or disposing of securities, the Company shall follow the investment cycle of its internal control system.

II. Determination procedures for transaction terms and authorized limits

(I) The trading of securities on the centralized exchange market or at the business premises of a securities firm shall be decided by the responsible unit according to the market conditions. If the amount of the securities is less than NT\$50 million (inclusive), it shall be approved by the Chairman and reported at the next Board of Directors, and an analysis report on the unrealized profit or loss of the securities shall be submitted. If the amount of the securities exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution. However, in the case of acquiring or disposing of bond funds, the investment shall be approved by the Chairman regardless of the amount, and submitted to the next Board of Directors for records after the event.

(II) For trading securities not on a centralized trading market or not at the business premises of a securities firm, the latest audited and certified or reviewed financial statements of the target company shall be taken as the reference for evaluating the

trading price, and the net value per share, profitability and future development potential of the target company shall be considered. If the amount of the securities is less than NT\$50 million (inclusive), it shall be approved by the Chairman and reported at the next Board of Directors, and an analysis report on the unrealized profit or loss of the securities shall be submitted. If the amount of the securities exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

The securities investment by the Company shall be carried out by the Chairman's Office or the Finance Department following the approval authority in the preceding paragraph.

IV. Obtaining expert opinions:

- (I) When acquiring or disposing of securities, the latest audited and certified or reviewed financial statements of the target company shall be taken as the reference for evaluating the trading price before the date of occurrence. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult a CPA for a fairness opinion on the transaction price before the date of occurrence. However, this requirement does not apply to securities with publicly quoted prices in an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
- (II) If the assets are acquired or disposed of through the auction procedure of the court, the certificate issued by the court may replace the appraisal report or the CPA opinion.
- (III) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again.

Article IX: Related-party transactions

- I. When the Company acquires or disposes of assets with its related parties, in addition to handling relevant resolution procedures and assessing the fairness of transaction conditions in accordance with Articles 7, 8 and 10 and this Article, if the transaction amount reaches 10% of the Company's total assets, an appraisal report by a professional appraiser or a CPA opinion shall be obtained in accordance with Articles 7, 8 and 10. The calculation of the previous transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be

included again. In addition, when judging whether a counterparty is a related party, attention shall be paid to not just its legal form, but also the substantive relationship.

II. Evaluation and operation procedures:

If the Company acquires or disposes of real estate or its right-of-use assets from a related party, or acquires or disposes of assets other than real estate or its right-of-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million, other than trading domestic government bonds or debts with repurchase or resale conditions, and subscription to or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before signing the transaction contract and making the payment:

- (I) The purpose, necessity and expected benefits of the acquisition or disposal of the assets.
- (II) Reasons for selecting the related party as the trading counterparty.
- (III) For acquisition of real estate or its right-of-use assets from a related party, evaluate the rationality of the predetermined trading conditions in accordance with the provisions of subparagraphs (1) to (4) and (6), paragraph 3 of this article.
- (IV) The original acquisition date and price of the related party, and the trading counterparty and its relationship with the Company and the related party, etc.
- (V) A forecast statement of cash receipts and payments for each month of the next year from the beginning of the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds.
- (VI) The appraisal report issued by a professional appraiser obtained in accordance with the paragraph 1 of this article, or a CPA opinion.
- (VII) Restrictions and other important agreements of this transaction.

For the following transactions between the Company and its parent company or subsidiaries, or among its subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital, the Board of Directors may authorize the Chairman to approve within a certain amount, and then submit them to the next Board of Directors for ratification:

- (I) Acquisition or disposal of equipment or its right-of-use assets for business purpose.
- (II) Acquisition or disposal of real estate or its right-of-use assets for business purpose.

Where a public company or its subsidiary that is not a domestic public company has a transaction referred to in paragraph 2, and the transaction amount reaches 10% of the total assets of the public company, the public company shall submit the information listed in paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries, or among its

subsidiaries.

The calculation of the transaction amount in paragraph 1 and the previous paragraph shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said “within one year” is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part that has been submitted to the shareholders’ meeting and the Board of Directors for approval and the Audit Committee for recognition in accordance with the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies needs not be included again.

III. Evaluation of the fairness of the transaction cost:

- (I) Regarding any real estate or its right-of-use assets acquired from a related party by the Company, fairness of the transaction costs should be measured according to the method listed below:
 - 1. On the basis of the related party’s transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The “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. The total appraised value of the subject matter by the financial institution if the related party has set up a mortgage loan with the subject matter from a financial institution, provided that the financial institution’s actual accumulated loan value for the subject matter shall be more than 70% of the total appraised value, and the loan period shall be more than one year. However, this shall not apply where the financial institution is a related party of one of the transaction parties.
- (II) In the case of joint purchase or joint lease of the land and housing of the same subject matter, the transaction costs may be assessed by either of the methods listed in subparagraph (1), paragraph 3 of this article.
- (III) When the Company acquires real estate or its right-of-use assets from a related party, it shall evaluate the cost of the real estate or its right-of-use assets in accordance with the provisions of subparagraphs (1) and (2), paragraph 3 of this article, and shall consult a CPA for review and a specific opinion.
- (IV) When the appraisal result in accordance with the provisions of subparagraphs (1) and (2), paragraph 3 of this article is lower than the transaction price, it shall be handled in accordance with subparagraph (5), paragraph 3 of this article.

Whereas any circumstances described as below, where the objective evidences, as well as the specifically reasonable comments concluded by the professional property appraisers and accountants, are not subject to this restriction:

 - 1. If the related party acquires plain land or leased land for redevelopment, relevant evidence may be provided to prove that it meets any of the following

conditions:

- (1) Plain land is evaluated according to the methods specified in subparagraphs (1) to (3) and (6), paragraph 3 of this article, and the building price is calculated at the construction cost of the related party plus a reasonable construction profit, and the sum exceeds the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) The transaction cases of other floors of the same subject property or of other non-related parties in the adjacent area within one year have similar areas, and the transaction conditions after evaluation are equivalent according to the reasonable floor or area price difference based on real estate sales or leasing practices.
 2. The Company provides evidence that the transaction conditions of the real estate purchased from the related party or the real estate right-of-use assets acquired by leasing are similar to those of other non-related party transactions in the adjacent area within one year. The transaction case in the neighboring area mentioned in the preceding paragraph refers to the transaction target on the same or adjacent street within a radius of less than 500 meters, or the announced current value shall be similar; the said similar area size refers to that the area of other non-related party transaction cases is not less than 50% of the area of the subject matter of the transaction; the said one year is based on the date of the acquisition of the real estate or its right-of-use assets, and retrospectively calculated one year backward.
- (V) When the Company acquires real estate or its right-of-use assets from a related party, if the appraisal result in accordance with the provisions of subparagraphs (1) to (4) and (6), paragraph 3 of this article is lower than the transaction price, the following matters shall be handled. When the Company and any public company that uses the equity method to account for its investment in the Company have set aside a special reserve under the preceding regulations, they may not utilize the special reserve until it has recognized a loss on the decline in the 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 competent authority has given its consent.
1. The Company shall set the differences between the transaction price of the real estate or its right-of-use assets and the appraised costs as a special reserve in accordance with the provision of Paragraph 1, Article 41 of the

Securities and Exchange Act, and may not distribute it or transfer it into new shares from capital increase. If an investor who adopts the equity method to evaluate the Company's investment is a public company, it shall also set aside a special reserve appropriated in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act according to the shareholding ratio.

2. The Audit Committee shall handle the case in accordance with Article 218 of the Company Act.
3. The handling situation in points 1 and 2 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.

(VI) When the Company acquires real estate or its right-of-use assets from a related party, in case of any of the following circumstances, the provisions of paragraph 2 of this article shall apply, and the provisions of subparagraphs (1) to (3), paragraph 3 of this article shall not apply:

1. The related party acquired real estate or its right-of-use assets by inheritance or gift.
2. The time when the related party acquired the real estate or its right-of-use assets was more than five years ago.
3. The real estate is acquired by signing a joint construction contract with the related party, or inviting the related party to build the real estate with local or leased land.
4. Acquisition of right-of-use assets of business-purpose real estate between a public company and the parent company or subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100% of their issued shares or total capital.

(VII) If the Company acquires real estate or its right-of-use assets from a related party, and there is other evidence showing that the transaction is not in compliance with regular business practices, it shall also be handled in accordance with subparagraph (5), paragraph 3 of this article.

Article 10: Procedures for acquisition or disposal of intangible assets or their right-of-use assets or membership cards

I. Evaluation and operation procedures:

When acquiring or disposing of intangible assets or their right-of-use assets or memberships, the Company shall follow the real estate and equipment cycle of its internal control system.

II. Determination procedures for transaction terms and authorized limits

(I) For the acquisition or disposal of memberships, the fair market price shall be referred to in order to determine the transaction terms and price, and an analysis report shall be prepared accordingly for submission to the President. If the amount is less than 1% of the Company's paid-in capital or NT\$3 million, the case shall

be submitted to the President for approval and reported in the next Board of Directors; if the amount is greater than NT\$3 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.

- (II) For the acquisition or disposal of intangible assets or their right-of-use assets, the expert's appraisal or fair market price shall be referred to in order to determine the transaction terms and price, and an analysis report shall be prepared accordingly for submission to the Board of Directors. If the amount is less than 10% of the Company's paid-in capital or NT\$20 million, the case shall be submitted to the Chairman for approval and reported in the next Board of Directors afterwards; if the amount is greater than NT\$20 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

When the Company acquires or disposes of intangible assets or the right-of-use assets thereof or memberships, the using department and the finance or administration department shall be responsible for implementation after being approved by the delegated authority prescribed in the preceding paragraph.

IV. Expert appraisal report of memberships or intangible assets or their right-of-use assets:

- (I) If the transaction amount of the Company's acquisition or disposal of membership cards reaches 1% of the Company's paid-in capital or NT\$3 million, then an expert shall be appointed for issuing an appraisal report.
- (II) If the transaction amount of the Company's acquisition or disposal of intangible assets or their right-of-use assets reaches 10% of the Company's paid-in capital or NT\$20 million, then an expert shall be appointed for issuing an appraisal report.
- (III) Other than dealing with domestic government agencies, if the transaction amount of intangible assets or its right-of-use assets or memberships acquired or disposed of by the Company reaches 20% of the Company's paid-in capital or NT\$300 million, the Company shall, before the date of occurrence, consult a CPA to express an opinion on the fairness of the transaction price.
- (IV) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again.

Article 11: Procedures for the acquisition or disposal of derivative products

I. Trading principles and guidelines:

(I) Transaction types

- 1. The Company's financial derivative products refer to the trading contracts

whose value is derived from assets, interest rates, exchange rates, indices or other interests.

- (1) Forward agreement: A contract for pre-purchasing (or pre-selling) the subject product and agreeing to deliver it on a specific date in the future.
 - (2) Financial options: The buyer of the option has the right to buy (call) or sell (put) the agreed quantity of the subject product from the seller at the strike price on a specific maturity date, and the seller has the obligation to perform the delivery obligation at the strike price.
 - (3) Financial futures: It refers to the contract that the parties agree to buy or sell the subject product at a specific time in the future at a specific price, quantity and other trading terms, or to settle the price difference before maturity.
 - (4) Interest rate swap: It refers to a transaction contract signed by both parties to exchange different interest bases on a specific date in the future, and settle the interest receivable and payable and pay the interest difference based on the principal in a specific name, provided that both parties do not exchange the principal from the beginning.
 - (5) Currency swap: It refers to the transaction contract signed by both parties to exchange the use of two foreign currencies and pay the interest of the currency received to the other party based on the principal in a specific name, and then exchange the original currency at the same exchange rate on the agreed maturity date.
 - (6) Other derivative products approved by the Board of Directors.
2. The bond margin trading procedures shall be handled in accordance with the provisions in these procedures. The provisions in these procedures do not apply to bond repo transactions.

(II) Operation (hedging) strategy:

The Company shall take hedging as the purpose when engaging in derivative transactions, and the trading shall be mainly to avoid risks arising from the business operation of the Company. The currency held shall be consistent with the foreign currency demand of the Company's actual import and export transactions, and based on the principle of having the Company's overall internal position (the foreign currency income and expenditure) squared, so as to reduce the Company's overall foreign exchange risk and save foreign exchange operation costs. Transactions for other specific purposes must be carefully evaluated and submitted to the board of directors for approval.

(III) Total contract amount:

The Finance Department shall master the overall position of the Company to avoid transaction risks. The total amount of derivative transactions shall not exceed NT\$300 million or 20% of the capital amount, and the amount of non-hedging transactions shall not exceed NT\$70 million.

(IV) Upper limit of total and individual contract losses:

Where the upper limit of total contract loss from derivative trading is NT\$35 million or 5% of the capital amount, whichever is higher, the upper limit of individual contract loss is 50% of the amount of the individual contract, and may not exceed NT\$10 million.

(V) Division of Rights and Responsibilities:

1. Board of directors: It is the top management of the Company for derivative trading, responsible for determining the subject matter of the transaction and the type of product, the trading department and the upper trading limit.
2. Chairman: The senior executive authorized by the board of directors to engage in derivative trading, who shall pay attention to the supervision and control of derivative trading risks at any time.
3. Traders: The executive officers of the Company engaged in derivative trading, who shall be appointed by the Chairman.
 - (1) Responsible for the formulation of the whole company's financial product trading strategy.
 - (2) Traders shall regularly calculate positions every two weeks, collect market information, make trend judgments and risk assessments, and formulate operational strategies to be used as the basis for trading after being approved in accordance with the approval authority.
 - (3) Execute the transaction according to the level of authority and the established strategy.
 - (4) When there are major changes in the financial market and the traders judge that the established strategy is no longer applicable, they shall submit an evaluation report at any time and reformulate the strategy, which shall be used as the basis for trading after being approved by the President.
4. Accounting personnel:
 - (1) Execute transaction confirmation.
 - (2) Review whether the transaction is conducted according to the level of authority and the established strategy.
 - (3) Conduct monthly evaluation and submit the evaluation report to the President.
 - (4) Accounting treatment.
 - (5) Filing and announcement shall be made in accordance with the provisions of the Securities and Futures Commission.
5. Settlement personnel: Responsible for the settlement of transactions.
6. Audit Department:

Responsible for understanding the adequacy of the internal control of derivative trading, checking the compliance of the Trading Department with operating procedures, analyzing the trading cycle, preparing audit reports, and

reporting to the Audit Committee in writing when there are material deficiencies.

(VI) Approval authority of derivative products:

1. Approval authority of hedging transactions

The trading authorization limit shall be authorized level by level by the board of directors to the Chairman, the President, the finance director and the traders. If the authorization limit is exceeded, the approval from the superior shall be obtained according to its authorization limit. If the trading quota exceeds the original authorization scope of the board of directors, the additional quota shall be approved by the board of directors first, otherwise the trading shall not be carried out.

(1) If the daily transaction amount is less than US\$500,000 and the cumulative amount is less than US\$1.5 million (inclusive), the transactions shall be approved by the finance director.

(2) If the daily transaction amount is between US\$500,000 and US\$2 million (inclusive) and the cumulative amount is less than US\$5 million (inclusive), the transactions shall be approved by the President.

(3) If the daily transaction amount is more than US\$2 million and the cumulative amount is less than US\$8 million (inclusive), the transactions shall be approved by the Chairman.

2. Non-hedging transactions shall be submitted to the Board of Directors for approval before execution.

3. Major derivative product transactions shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.

(VII) Performance Evaluation:

1. Risk hedging transactions:

(1) The performance evaluation is based on the exchange rate costs on the Company's books and the gains and losses arising from engaging in derivative financial transactions.

(2) In order to fully grasp and express the evaluation risk of the transactions, the Company adopts the monthly evaluation method to evaluate the profit and loss.

(3) The Finance Department shall provide foreign exchange position evaluation, foreign exchange market trends and market analysis to the President for management reference and instructions.

2. Non-risk hedging transactions:

The performance evaluation is based on the actual profit and loss, and the accounting staff shall regularly prepare reports for the reference of the management level.

II. Risk management measures:

(I) Credit risk management:

As the market is subject to the changes of various factors which are easy to cause operational risks of derivative financial products, the market risk management shall be carried out according to the following principles:

1. Transaction counterparties: Well-known domestic and foreign financial institutions.
2. Products for transactions: Limited to products provided by well-known domestic and foreign financial institutions.
3. Transaction amount: The outstanding transaction amount of the same transaction counterparty shall not exceed 10% of the total authorized amount, except for those approved by the President.

(II) Market Risk Management:

The open foreign exchange market provided by banks shall prevail, but the futures market shall not be considered. After a position is established, the stop loss point shall be strictly observed.

(III) Liquidity Risk Management:

In order to ensure market liquidity, financial products chosen shall have high liquidity (can be squared in the market at any time). Financial institutions entrusted must have sufficient information and the ability to conduct transactions in any market at any time.

(IV) Cash Flow Risk Management:

In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivative trading is limited to its own funds, and the funding needs based on the forecasted cash receipts and payments in the next three months should be taken into account for the transaction amount.

(V) Operation Risk Management:

1. The Company's authorization limit and operating procedures shall be strictly followed, and the procedures shall be included in the internal audit system to avoid operational risks.
2. Derivative traders and operations personnel in confirmation and settlement shall not hold concurrent posts.
3. Risk measurement, supervision and control personnel shall be in different departments from those in the preceding paragraph, and shall report to the board of directors or to senior executives who are not responsible for decision-making on transactions or positions.
4. The positions of derivative exchange shall be evaluated at least once a week, but if hedging transactions are required for business needs, they shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executives authorized by the board of directors.

(VI) Product Risk Management:

Internal traders shall have complete and correct professional knowledge of

financial products, and banks shall be required to fully disclose risks to avoid financial product risks.

(VII) Legal Risk Management:

Documents signed with financial institutions should be reviewed by professionals of foreign exchange and legal or legal counsel before they can be formally signed to avoid legal risks.

III. Principles of supervision and management by the board of directors for derivative trading:

(I) The board of directors shall designate senior executives for the supervision and control of derivative trading risks at all times. The supervision and management principles are as follows:

1. Regularly evaluate whether the current risk management measures are appropriate and firmly handled in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company's Procedures for Derivative Trading.
2. Supervise the trading and profit and loss situation, and take necessary countermeasures and report to the board of directors immediately in case of any abnormality.

(II) Regularly evaluate whether the performance of derivative trading is in line with the established business strategy, and whether the risks undertaken are within the acceptable range of the Company.

(III) When the Company engages in derivative transactions, if relevant personnel are authorized to handle the transactions in accordance with the prescribed Procedures for Derivative Trading, the transactions shall be reported to the next Board of Directors afterwards.

IV. Accounting Treatment:

(I) The accounting treatment of the Company's derivative trading shall be in accordance with the relevant regulations promulgated by the SFC and the Accounting Research and Development Foundation. In preparing periodic financial statements (including annual, semi annual and quarterly financial statements), relevant information shall be disclosed in accordance with SFC regulations.

(II) The Company shall provide the certifying CPA with information on its derivative trading, and disclose it fully in its financial report.

V. Regular Evaluation Method:

(I) The board of directors shall authorize senior executives to regularly supervise and evaluate whether derivative transactions are firmly handled in accordance with the Company's trading procedures, and whether the risks borne are within the allowed scope. When there is an exception in the market price evaluation report (such as the loss limit of the position being exceeded), it shall be immediately reported to the board of directors and take countermeasures.

- (II) The positions of derivative exchange shall be evaluated at least once a week, but if hedging transactions are required for business needs, they shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executives authorized by the board of directors.
- (III) The Chairman shall designate personnel to regularly evaluate whether the risk management measures currently used are appropriate, and whether they are indeed handled in accordance with the provisions of the FSC and these Procedures.

VI. Internal Audit System:

- (I) Internal auditors shall regularly review the appropriateness of the internal control of derivative trading, and monthly audit the compliance of the Trading Department on the procedures for derivative trading, and prepare an audit report accordingly. If material violations are discovered, the Audit Committee shall be notified in writing.
- (II) Internal auditors shall submit the audit report together with the annual review of internal audit operations to the Securities and Futures Commission before the end of February of the following year, and report the improvement of exceptional matters to the Securities and Futures Commission for future reference at the latest by the end of May of the following year.

VII. Creating a Memorandum Book:

When the Company engages in derivative trading, it shall establish a memorandum book in detail for recordation the type, amount, date of approval of the Board of Directors, and the matters that should be carefully evaluated in accordance with subparagraphs (1) and (2), paragraph 3 and subparagraph (2), paragraph 5 of this article.

VIII. If the Company does not intend to engage in derivative trading, it may be exempted from formulating procedures for derivative trading after reporting to and the approval of the Board of Directors. If the Company intends to engage in derivative trading later, it shall still follow the provisions of this article.

Article 12: Procedures for merger, division, acquisition or share transfer

I. Evaluation and operation procedures:

- (I) When the Company handles mergers, divisions, acquisitions or share transfers, it is advisable to entrust lawyers, accountants and underwriters to jointly discuss the estimated timetable for legal procedures, and organize a special team for the execution in accordance with the statutory procedures. It shall also, prior to convening the Board of Directors to resolve the matter, 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 resolution. However, for a public company's merger of a subsidiary which the company directly or indirectly holds 100% of its issued shares or capital, or the merger between the company's subsidiaries which the company directly or

indirectly holds 100% of their issued shares or capital, the fairness opinions issued by the aforementioned experts may be exempted.

- (II) Before the shareholders' meeting, the Company shall prepare public documents to shareholders concerning important agreements and related matters of merger, division or acquisition, and deliver to the shareholders the expert opinions in Paragraph 1, Subparagraph 1 of this article together with the notice of the shareholders' meeting to serve as references for whether to agree to the merger, division or acquisition. Provided, where a provision of another act exempts the Company from convening a Shareholders Meeting to approve the mergers, split-offs, or acquisitions, this restriction shall not apply. Where the Shareholders Meeting of any one of the companies participating in a merger, split-off, 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, split-off, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next Shareholders Meeting.

II. Other Matters to Be Noted:

- (I) Dates of the Board of Directors: Unless otherwise provided by law or the approval from the Financial Supervisory Commission is required due to special factors, the companies participating in a merger, division or acquisition shall convene their Board of Directors and shareholders' meeting on the same day to resolve merger, division or acquisition related matters. Unless otherwise provided by law or the approval from the Financial Supervisory Commission is required due to special factors, companies participating in a share transfer shall convene a Board of Directors on the same day.
- (II) Confidentiality commitment: All participants or persons who are aware of the Company's merger, division, acquisition or share transfer plan shall issue a written confidentiality commitment. Before the information is announced, they shall not disclose the contents of the plan externally, nor shall they buy or sell either by themselves or in the name of others the shares and other securities of equity nature of all companies related to the merger, division, acquisition or share transfer.
- (III) Principles for determining and changing the share swap ratio or purchase price: The companies participating in the merger, division, acquisition or share transfer shall, before the Board of Directors of both parties is convened, entrust accountants, lawyers or securities underwriters to express their opinions on the rationality of the share swap ratio, purchase price or cash or other property allocated to shareholders, and submit them to the shareholders' meeting. The share exchange ratio or acquisition price may not be altered arbitrarily; provided the circumstances permitting alteration have been stipulated in the contract and disclosed publicly, this restriction shall not apply. Circumstances permitting the alteration on share exchange ratio or the acquisition price are as follows:

1. Cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. Any action that affects the Company's financial operations, such as disposal of major assets.
3. Any event that affects shareholders' equity or share prices such as a major disaster or major change in technology.
4. The adjustment that any of the companies participating in the merger, split-off, acquisition, or transfer of shares buys back treasury stock legally.
5. Changes in the subject or the number of companies involved in mergers, split-offs, acquisitions, or share transfers.
6. Other circumstances stipulated in the contract that permit the alteration and that have been publicly disclosed.

(IV) Contents to be included in the contract: Other than that the contract shall follow the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of the companies participating in a merger, division, acquisition or share transfer shall stipulate the following.

1. Handling of breach of contract.
2. The principle of handling the previous issuance of securities with equity nature or buyback of treasury shares by the Company which is eliminated or divided due to the merger.
3. The number of treasury shares that may be bought back in accordance with the law and the handling principle after the benchmark date of the share swap.
4. The treatment for the increase or decrease of participating subjects or entities.
5. The schedule of project implementation and expected completion.
6. If the plan is not completed before the deadline, the relevant procedures such as the scheduled date of the shareholders' meeting which shall be convened according to law.

(V) Change of companies participating in a merger, division, acquisition or share transfer: After the information is disclosed to the public, if any of the companies participating in the merger, division, acquisition or share transfer intends to participate in another merger, division, acquisition or share transfer with another company, unless the number of participants decreases and the shareholders' meetings have resolved and authorized the Board of Directors to change the authority to exempt the participating companies from holding another shareholders' meeting for another resolution, all the participating companies shall redo the completed procedures or legal acts of the original merger, division, acquisition or share transfer case.

(VI) If a company participating in a merger, division, acquisition or share transfer is not a public company, the Company shall sign an agreement with it, and handle the case in accordance with the provisions of subparagraphs (1), (2), (5) and (7) of

paragraph 2 of this article.

(VII) If a company participating in a merger, division, acquisition or transfer of shares is listed or has its shares traded on the business premises of domestic securities firms shall prepare a complete written record of the following information, which shall be kept for five years for inspection:

1. Basic information of personnel: including the title, name, ID card number (or passport number for foreigners) of all persons participating in the merger, division, acquisition or share transfer plan or the implementation of the plan before the disclosure of the information.
2. Date of important matters: including the date of signing the letter of intent or memorandum, entrusting the financial or legal consultant, signing the contract and the Board of Directors.
3. Important documents and minutes: including the plan for merger, division, acquisition or share transfer, letter of intent or memorandum, important contracts and Board of Directors minutes.

If a company that participates in a merger, division, acquisition or share transfer is a public company or a company whose shares are traded on the business premises of domestic securities firms, then within two days from the date of the resolution of the Board of Directors the information under items 1 and 2 of subparagraph (7) shall be submitted to the FSC in the prescribed format through the Internet information system for recording.

If a company that participates in a merger, division, acquisition or share transfer is not a public company or a company whose shares are not traded on the business premises of domestic securities firms, the participating public company or the participating company whose shares are traded on the business premises of domestic securities firms shall sign an agreement with it, and handle the case in accordance with the subparagraph.

Article 13: Information disclosure procedures

I. Items to Be Announced and Filed and the Standards for Announcement and Filing:

- (I) Acquire or dispose of real estate or its right-of-use assets from related parties, or acquire or dispose of assets other than real estate or its right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million. However, this shall not apply to trading 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.
- (II) Merger, Division, Acquisition or Share Transfer.
- (III) Derivative trading which reaches the loss limit of all or individual contract specified in the prescribed handling procedures.
- (IV) For an acquisition or disposal of equipment or its right-of-use assets for business use, where the transaction counterparty is not a related party, and the transaction amount reaches any of the following:

1. The transaction amount reaches NT\$500 million for a public offering company whose paid-in capital is less than NT\$10 billion.
 2. The transaction amount reaches NT\$1 billion for a public offering company whose paid-in capital reaches NT\$10 billion.
- (V) The Company operating construction business acquires or disposes of real estate or its right-of-use assets for construction purposes, its transaction counterparty is not a related party, and the trading amount reaches NT\$500 million; if the Company has a paid in capital reaching NT\$10 billion and disposes of real estate under its own construction, and the transaction counterparty is not a related party, then the trading amount is NT\$1 billion or more.
- (VI) The Company acquires real estate by means of entrusted construction of its own land, entrusted construction of leased land, joint construction and sharing, and joint construction and sub-sale, where the trading counterparty is not a related party, and the Company expects to invest more than NT\$500 million in the transaction.
- (VII) Any assets transaction or disposal of creditor's rights by a financial institution other than those mentioned in the preceding six subparagraphs, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million. However, the above shall not apply to the following circumstances:
1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of our country.
 2. Those who specialize in investment, trading in securities on the stock exchanges or on the business premises of securities firms, or securities firms subscribing to foreign government bonds or offering and issuing common corporate bonds and general financial bonds (excluding subordinated bonds) that do not involve equity on the primary market, or subscribing to or buying back securities investment trust funds or futures trust funds, or subscribing to or selling back index investment securities, or securities subscribed to by a securities firm acting as a consultant for emerging stock companies which recommends securities firms to subscribe to securities in accordance with the regulations of the Taipei Exchange due to the needs of the underwriting business.
 3. Trading of bonds with repurchase or resale conditions, and subscription to or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VIII) The calculation of the transaction amount referred to in the previous seven subparagraphs is as follows. The said one-year period is based on the date of the occurrence of the transaction, and is calculated retroactively for one year. The part that has been announced publicly in accordance with the regulations needs not be included again.
1. The amount of each transaction.

2. The cumulative amount of transactions of acquisition or disposal of subjects of the same nature with the same counterparty within one year.
 3. The cumulative amount of acquisition or disposal of real estate of the same development plan or its right-of-use assets within one year.
 4. The cumulative amount of the same securities acquired or disposed of (accumulated separately) within one year.
- II. Time Limit for Announcement and Filing:
- When the Company acquires or disposes of assets, it shall, in accordance with paragraph 1 of this article, publicly announce and file the relevant information on the website designated by the FSC in accordance with the nature and format prescribed within 2 days from the date of the occurrence of the event.
- III. Announcement and Filing Procedure:
- (I) The Company shall post relevant information on the website designated by the FSC for announcement and declaration.
 - (II) The Company shall post the derivative transactions of its own and of its subsidiaries which are not domestic public companies as of the end of the previous month on the information reporting website designated by the FSC before the 10th day of each month in the prescribed format.
 - (III) If there are errors or omissions in the announcement of the items that should be announced and should be corrected, the Company shall re-announce and re-declare all the items within two days from the date of knowing.
 - (IV) When acquiring or disposing of assets, unless otherwise provided by other laws, the Company shall keep relevant contracts, minutes of proceedings, memorandum books, appraisal reports, and opinions of CPAs, lawyers or securities underwriters at the Company for at least five years.
 - (V) After the Company announces and files a transaction in accordance with the regulations, if any of the following circumstances occurs, it shall announce and file the relevant information on the website designated by the FSC within two days from the date of occurrence:
 1. The relevant contract originally signed for the transaction is changed, terminated or rescinded.
 2. The merger, division, acquisition or share transfer is not completed according to the schedule of the contract.
 3. The content of the original announcement has changed.
- IV. Announcement Format:
- To be handled in accordance with the provisions of the website designated by the FSC.

Article 14: Subsidiaries of the Company shall comply with the following provisions:

- I. Subsidiaries shall also formulate their own “Procedures for Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”. After being approved by the Board of Directors of the

subsidiary, the procedures shall be reported to the shareholders' meeting, and the same requirement applies for the revision.

- II. Where a subsidiary is not a public company, the parent company shall perform the public announcement and filing on behalf of the subsidiary if its acquisition or disposal of assets reaches the public announcement and filing criteria set forth in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- III. For the subsidiaries referred to in the preceding paragraph, the provisions of paragraphs 1 to 2, Article 13 concerning the standards for public announcement and filing regarding 20% of paid in capital or 10% of total assets shall apply to the paid in capital or total assets of the parent company (the Company).

Article 14-1:

- I. The 10% of total assets in the provisions of these procedures shall be calculated based on the amount of total assets in the most recent individual or respective financial report as specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- II. If the Company's shares have no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital specified in these Procedures shall be calculated as 10% of the equity attributable to the owner of the parent company; if the Procedures have provisions concerning the paid-in capital reaching NT\$10 billion, then it shall be calculated on the basis of the equity attributable to the owner of parent of NT\$20 billion.

Article 15: Penalties

Where an employee of the Company undertakes to acquire and dispose of assets in violation of the provisions of these Procedures, he or she shall be punished in accordance with the provisions of the Personnel Management Measures of the Company, depending on the severity of the circumstances.

Article 16: Implementation and Amendments

The formulation of the Procedures shall be approved by more than half of the members of the Audit Committee and submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval. If not approved by more than half of the members of the Audit Committee, the Procedures may be implemented after being approved by more than two-thirds of all the directors, and may be implemented after being submitted to the shareholders' meeting for approval, with the minutes of the Board of Directors containing the resolution of the Audit Committee. If any director expresses dissent with records or written statements, the Company shall submit the dissent to the shareholders' meeting for discussion, and the same shall apply to the amendments.

Article 17: Date of Implementation

- I. The Procedures were formulated and adopted by the Board of Directors on September 15, 1989, and the resolution of the shareholders' meeting was made on June 29, 1990.
- II. The 1st amendment was approved by the Board of Directors on September 24, 1991 and the shareholders' meeting on June 18, 1992.
- III. The 2nd amendment was approved by the Board of Directors on May 26, 1995.
- IV. The 3rd amendment was approved by the Board of Directors on April 26, 1996 and the shareholders' meeting on June 14, 1996.
- V. The 4th amendment was approved by the Board of Directors on November 24, 1999 and the shareholders' meeting on June 20, 2000.
- VI. The 5th amendment was approved by the Board of Directors on March 28, 2003 and the shareholders' meeting on June 20, 2003.
- VII. The 6th amendment was approved by the Board of Directors on February 13, 2007 and the shareholders' meeting on April 3, 2007.
- VIII. The 7th amendment was approved by the Board of Directors on December 16, 2008 and the shareholders' meeting on June 10, 2009.
- IX. The 8th amendment was approved by the Board of Directors on October 26, 2010 and the shareholders' meeting on June 15, 2011.
- X. The 9th amendment was approved by the Board of Directors on March 19, 2012 and the shareholders' meeting on June 22, 2012.
- XI. The 10th amendment was approved by the Board of Directors on March 25, 2013 and the shareholders' meeting on June 28, 2013.
- XII. The 11th amendment was approved by the Board of Directors on March 26, 2014 and the shareholders' meeting on June 18, 2014.
- XIII. The 12th amendment was approved by the Board of Directors on March 27, 2017 and the shareholders' meeting on June 28, 2017.
- XIV. The 13th amendment was approved by the Board of Directors on March 20, 2019 and the shareholders' meeting on June 27, 2019.
- XV. The 14th amendment was approved by the Board of Directors on March 24, 2021 and the shareholders' meeting on August 18, 2021.
- XVI. The 15th amendment was approved by the Board of Directors on March 24, 2022 and the shareholders' meeting on June 23, 2022.
- XVI. The 16th amendment was approved by the Board of Directors on March 13, 2025 and the shareholders' meeting on June 10, 2025.