

The Operating Procedure for Acquisition and Disposal of Assets

Article 1 Purpose

This procedure is formulated to strengthen the control over the acquisition or disposal of the Company's assets and to implement the open information processing operations.

Article 2 Legal Basis

This procedure is prescribed in accordance with Article 36 of the Securities and Exchange Act and the "Operating Procedure for Acquisition and Disposal of Assets" (hereinafter referred to as the Operating Procedure) issued by Financial Regulatory Commission (hereinafter referred to as FSC).

The scope of application of the assets referred to in Article 3 of this procedure is as follows:

1. Investment in stocks, government bonds, corporate bonds, bank debentures, commendation fund securities, depository receipts, warrants of subscription (sale), beneficiary securities, and asset-foundation securities.
2. Real estate (including land, houses and buildings, investment real estate, and land use rights) and equipment.
3. Membership card.
4. Intangible assets such as patent right, copyright, trademark right, and franchising right, etc.
5. Claims of financial institutions (including accounts receivable, bills purchased and discounted and loans, and receivables on demand)
6. Derivatives.
7. Assets acquired or disposed of by merger, spin off, acquisition or transfer of shares pursuant to law.
8. Other important assets.

The terms used in Article 4 of this procedure is defined as follows:

1. Derivatives: forward contracts, option contracts, futures contracts, leverage margin contracts, swap contracts, and compound contracts derived from the value of such products as assets, interest rates, exchange rates, indexes, or other interests. The term "forward contract" does not include insurance contract, performance contract, after-sales service contract, long-term lease contract, and long-term purchase (sale) contract.
2. In accordance with the legal merger, spin off, or the transferee of shares acquisition or disposition of assets: refers to the method according to the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other legal merger, spin off, or assets

acquired or disposed of through acquisition, or the issuance of new shares pursuant to Paragraph 8, Article 156 of the Company Act to transfer shares of other companies (hereinafter referred to as "transferee").

3. Affiliate and subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional valuer: Refers to real estate valuer or other real estate, and shall be engaged in real estate and equipment valuation business.
5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors' resolutions, or other dates that can confirm the trade counterpart and monetary amount of the transaction, whichever date is earlier. However, in the case of an investor subject to the approval of the competent authority, the aforementioned date or the date of receipt of the approval of the competent authority shall prevail.
6. Investment in mainland China: refers to investment in the mainland by the Investment Commission of the Ministry of Economic Affairs in accordance with the licensing regulations for investment or technical cooperation in the mainland.

Article 5

The amount of assets to be acquired by the Company and its subsidiaries is as follows:

1. The total amount of real estate not for business use shall not be higher than the net value of the Company.
2. The total amount of long-term and short-term marketable securities shall not be higher than the net value of the Company.
3. The amount invested in individual marketable securities shall not be higher than the net value of the Company.
4. Where the Company invests in a subsidiary directly or indirectly holding 50% of the voting rights shares, the amount of investment shall not be subject to this article.

Article 6

The Company formulates these procedures in accordance with the standards, and they shall be approved by the Board of Directors.

When this procedure is submitted to the Board of Directors for discussion, the opinions of the independent directors shall be fully considered. If the independent directors have objections or reservations, they shall be set forth in the minute book of the Board of Directors.

This procedure shall be approved by more than half of all members of the audit committee and submitted to the Board for resolution.

Without the consent of more than half of the members of the audit committee, the preceding paragraph may be agreed by more than two-thirds of the directors, and the resolutions of the audit committee shall be set forth in the minute book of the Board of Directors.

The members of the audit committee referred to in Paragraph 3 and the directors referred to in the preceding paragraph shall be the actual incumbents.

Article 7

The following items shall be recorded in this procedure and shall be handled in accordance with this procedure:

1. Scope of Assets
2. Evaluation procedure: shall include the method of price determination and reference basis, etc.
3. Operating procedure: the authorization quota, level, execution unit and transaction process shall be included.
4. Declaration procedure for public announcement.
5. The total amount of real estate or securities acquired by the Company and its subsidiaries for non-business use and the limits of individual marketable securities.
6. Control procedures for the acquisition or disposal of assets by a subsidiary.
7. Penalties for violation of these guidelines or the procedures from relevant personnel.
8. Other important matters.

Except as provided in the preceding paragraph, the affiliate transactions, derivative transactions, enterprise merging, spin off, acquisitions, or share transfers of the Company, these procedures shall be established in accordance with the provisions of Section 3 to Section 5 of the handling guidelines.

The Company shall urge its subsidiaries to formulate and implement procedures for the acquisition or disposal of assets in accordance with the handling guidelines.

Article 8

The acquisition or disposal of assets by the Company in accordance with this procedure or other legal provisions shall be submitted to the Board of Directors for discussion with full consideration of the opinions of the independent directors. If the independent directors have any objection or reservation, it shall be set forth in the minute book of the Board of Directors.

Material asset or derivative transactions shall be subject to the approval of more than half of all the members of the audit committee and a resolution of the Board of Directors, applying mutatis mutandis the provisions of Paragraphs 4 and 5 of Article 6.

Article 9

For the Company's acquisition or disposal of real estate or equipment, the responsible unit shall sign and report relevant reasons for such acquisition or disposal and then transact based on the authorized quota and hierarchical criteria in the Company after inquiry, price comparison or bargaining.

In acquiring or disposing of real estate or equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. If a fixed price, specific price, or special price is required as the reference basis for the transaction price due to special reasons, the transaction shall first be approved by the resolution of the Board of Directors, and the change of future transaction conditions shall be handled according to the above procedures.
2. If the transaction price is over NTD 1 billion, the Company shall retain at least two Professional Appraisers to perform the appraisal.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter abbreviated as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date provided. If where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 10

When the Company acquires or disposes of the marketable securities, it shall consider the net worth per share, profitability, and market value of each share, evaluate the reasonableness of the price, and submit

the evaluation report by the competent authority and follow the authorization limit and level regulations of the Company.

When the Company acquires or disposes of the marketable securities, it shall, prior to the date of the occurrence of the securities, obtain the latest certified financial statements of the target company, which have been examined and certified by the CPA or have been reviewed, for the purpose of assessing the transaction price. In addition, if the transaction amount reaches to 20% of the paid-up capital of the Company or more than NT\$ 300 million, the Company shall consult the CPA before the date of the transaction to express its opinion on the reasonability of the transaction price. If a CPA needs to use an expert report, he/she shall comply with the provisions of NO.20 of the Statement of Auditing Standards issued by the ROC Accounting Research and Development Foundation.

However, unless otherwise regulated by the Financial Supervisory Commission, the marketable securities are subject to an open quotation in the active market.

Article 11

When the Company acquires or disposes of the memberships or intangible assets, the Company shall consider the market conditions and future profits thereof, and evaluate the reasonableness of price. The organization responsible shall submit the appraisal and follow the limit and level authorized by the Company's authorization mechanism.

Where a public company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.

Article 11-1

The amount of the first three paragraphs shall be calculated in accordance with Paragraph 2 of Article 30, and the said one-year period shall be calculated on the basis of the date on which the transaction actually occurred, and calculated one year in advance, and the part of the appraisal report or the opinion of the CPA issued by the professional appraiser in accordance with this procedure shall not be included in the calculation.

Article 12

If the Company obtains or disposes of the assets through the auction procedure of the court, it can replace the appraisal report or the opinion of the CPA with the certificate issued by the court.

Article 13

In acquiring or disposing assets, the Company and its affiliates shall, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction conditions in accordance with the provisions of this procedure, obtain the appraisal report or CPA's opinion issued by the professional appraiser in accordance with Articles 9 to 12 of this procedure if the transaction amount amounts to more than 10% of the total assets of the Company.

The transaction amount referred to in the preceding paragraph shall be calculated in accordance with the provisions of Article 11-1.

When judging whether the trade counterpart is an affiliate, it is necessary not only pay attention to its legal form, but also consider the substantial relationship.

Article 14

When the Company intends to acquire or dispose of real estate from or to an affiliate, or when it intends to acquire or dispose of assets other than real estate from or to an affiliate and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of 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 audited 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 affiliate as a trade counterpart.
3. With respect to the acquisition of real estate from an affiliate, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.
4. The date and price at which the affiliate originally acquired the real estate, the original trade counterpart, and that trade counterpart's relationship to the Company and the affiliate.
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 application of funds.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The amount of the transaction referred to in the preceding paragraph shall be calculated in accordance with paragraph 2 of article 30, and the said one-year period shall be calculated on the basis of the date

on which the transaction actually occurred, and calculated one year in advance. If it has been submitted to the audit committee for review in accordance with the provisions of these standard procedures and approved by the Board of Directors shall not be included in the calculation.

With respect to the acquisition or disposal of business-use equipment between the Company and its parent or subsidiaries, the Company's Board of Directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the Board 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.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minute book of the Board of Directors meeting.

The matters for which paragraph 1 requires audited by the Audit Committee shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to application of Article 6, paragraphs 4 and 5.

Article 15

The Company shall evaluate the reasonableness of the transaction costs by the following means in acquiring real estate from an affiliate:

1. The interest on the necessary funds and the obligation costs to be borne by the buyer shall be added at the transaction price of the affiliates concerned. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property. This 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 affiliate 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 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is an affiliate of one of the trading counterparties.

In the case of the combined purchase of land and premises of the same target, the transaction costs may be assessed by either of the methods mentioned in the preceding paragraph in respect of the land and premises.

The Company shall evaluate the cost of the real estate obtained from the affiliates in accordance with the provisions of Paragraphs 1 and 2, and shall consult the CPA for review and express specific opinions.

If the Company acquires the real estate from the affiliates, under any of the following circumstances, it shall act in accordance with the provisions of Article 14 and the preceding three provisions shall not apply:

1. The affiliates acquire the real estate by inheritance or bestowal.
2. More than five years will have elapsed from the time the affiliate signed the contract to obtain the real estate to the signing date for the current transaction.
3. The real estate is acquired through signing of a joint development contract with the affiliate, or through engaging an affiliate to build real estate, either on the Company's own land or on leased land.

Article 16

If the appraisal results of the Company in accordance with Paragraph 1 and Paragraph 2 of the preceding article is lower than the transaction price, the Company shall act in accordance with Article 17. However, the following circumstances shall not apply if objective evidence is presented and the specific opinions of real estate professional appraisers and CPAs are provided:

1. If the affiliate has obtained vacant land or leased land for construction, he/she may prove that he/she meets one of the following conditions:
 - (1) Vacant lands are appraised according to the method prescribed in the preceding article, while houses are added to the reasonable construction profit according to the construction cost of the affiliates, whose total amount exceeds the actual transaction price. The so-called "reasonable construction profit" shall be determined by the average operating margin of the affiliate's construction department in the recent three years or the lowest of the most recent gross margin of the construction industry published by the Ministry of Finance.
 - (2) Cases of transactions by other non-affiliates on other floors of the same target premises or in adjacent areas within one year, whose area is similar, and whose transaction conditions are comparable after the evaluation of reasonable floor or regional spread according to the real estate sales practice.
 - (3) In the case of other non-affiliate lease cases within one year on other floors of the same target premises, the transaction terms are estimated to be equivalent according to the reasonable floor spread that is required by the practice of real estate lease.
2. The Company provides evidences to prove that the transaction conditions of the real estate purchased from the affiliates are the same as the transaction cases of other non-affiliates in the neighboring areas within one year and the area is similar.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more

than 500 meters or parcels close in publicly announced present value; transactions involving similarly sized parcels in principle refers to transactions completed by non-affiliates for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate or obtainment of the right-of-use assets thereof.

Article 17

The Company shall handle the following matters when acquiring the real estate from the affiliates and the appraisal results are lower than the transaction price as stipulated in the provisions of Article 15 and Article 16:

1. A special reserve shall be set aside in accordance with Article 41-1 of the Securities and Exchange Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase. An investor whose investment in the Company is evaluated by the equity method to be a publicly owned corporation, he/she shall also set aside an appropriated as special capital reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, in proportion to the number of his/her shares held.
2. The audit committee shall act in accordance with Article 218 of the Company Act.
3. It shall report to the shareholders' meeting the handling of Subparagraphs 1 and 2, and disclose the transaction details in the annual report and public statement.

Where the Company has set aside appropriated as special capital reserve in accordance with the provisions of the preceding paragraph, it shall not use the appropriated as special capital reserve until the assets acquired by the Company at a high price that have been recognized as losses, or the lease has been disposed of, or the lease has been properly considered or restored to its original condition, or there is no other evidence that it is unreasonable, and the approval of the Financial Supervisory Commission is obtained.

When the Company acquires real estate from an affiliate, it shall also follow the preceding 2 paragraphs if there is other evidence indicating that the transaction is an irregular transaction.

Article 18

The Company shall pay attention to the following important risk management and audit matters when engaging in derivative transaction, and incorporate them into the handling procedures:

1. The trading principles and guidelines: shall include the types of derivative transaction, the operation or hedging strategies, the division of rights and responsibilities, the key points of performance evaluation and the total contract amount of derivative transaction, and the maximum amount of total and individual contract losses, etc.

2. Risk management measures.
3. Internal audit system.
4. Regular assessment methods and abnormal situation handling.

Article 19

The Company shall adopt the following risk management measures when engaging in derivative transactions:

1. The scope of risk management shall include credit, market price, liquidity, cash flow, operation, and legal risk management.
2. Trading personnel engaged in derivatives and operational personnel engaged in confirmation, delivery, etc., shall not serve concurrently.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
4. The positions held in a derivatives exchange shall be evaluated at least once a week, but at least twice a month for hedging transactions required by the business, and the evaluation report shall be sent to the senior executive authorized by the Board of Directors.
5. Other important risk management measures.

Article 20

The Board of Directors shall, in accordance with the following principles, supervise and manage the derivatives transactions of the Company:

1. The designated senior executives shall, at all times, pay attention to the supervision and control of derivatives trading risks.
2. Regularly evaluate whether the performance of derivatives trading conforms to the established business strategy and whether the undertaking risk is within the tolerance of the Company.

Senior executives authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:

1. Periodically evaluate the adequacy of current risk management practices and ensure that these guidelines and procedures are followed.
2. Supervise the trading and profit and loss situation, and take necessary measures in case of any abnormality, and immediately report to the Board of Directors; the Board of Directors shall have independent directors present and express opinions.

If the Company engages in derivative transaction and authorizes relevant personnel to deal with it in accordance with the provisions on dealing with derivative transaction, it shall report to the Board of

Directors of the nearest future afterwards.

Article 21

The Company shall establish a memorandum book for the type, amount, date of approval by the Board of Directors and the matters which shall be carefully evaluated in accordance with Subparagraph 4 of Article 19, Subparagraph 2 of Paragraph 1 of and Subparagraph 1 of Paragraph 2 of Article 20, and the details are set out in the memorandum book for future reference.

The internal auditors of the Company shall regularly learn about the licensure of internal control of derivative transactions, and make audit reports on the compliance of the monthly audit and trading department with the procedures for dealing with derivative transactions, and shall inform the audit committee in writing of any major violation.

Article 22

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

Article 23

In the event that the Company participates in the merger, spin off, or acquisition, it shall prepare an open document to shareholders prior to the meeting of the shareholders' committee regarding the important provisions and related matters of the merger, spin off, or acquisition, and deliver it to shareholders together with the expert opinions in Paragraph 1 of the preceding article and the notice of meeting of the shareholders' committee, for the reference of whether to approve the merger, spin off, or acquisition. However, this provision shall not apply to matters which may be exempted from holding a shareholders' meeting to resolve on merger, spin off, or acquisition pursuant to other legislative requirement.

For companies participating in the merger, spin off, or acquisition, if the shareholders' meeting of either party cannot be held due to insufficient attendance, insufficient voting rights or other legal restrictions, or the resolution is rejected by the shareholders' meeting, the Company participating in the merger, spin off, or acquisition shall immediately make public the reasons for the occurrence, subsequent processing, and the expected date of the shareholders' meeting.

Article 24

For the Company and company participating in the merger, spin off, or acquisition, the Board of Directors and shareholders meeting shall be held on the same day to decide on matters related to merger, spin off, or acquisition, unless otherwise provided for by laws or special factors that have been reported to Financial Supervisory Commission for approval in advance.

The Board of Directors of the Company and the Company participating in the transfer of shares shall be convened on the same day unless otherwise stipulated by other laws or unless special factors that have been reported to Financial Supervisory Commission for approval in advance.

If the Company participates in a merger, spin off, acquisition, or transfer of shares, the following information shall be kept in a complete written record for five years for inspection:

1. Basic information of personnel: including the job title, name, ID card number (or passport number for a foreigner) of all persons involved in the merger, spin off, acquisition, or share transfer plan, or the execution person of the plan before the disclosure of the information.
2. Dates of important matters: including the dates of signing of letter of intent or memo, proxy of financial or legal counsel, deed and Board meeting.
3. Important documents and minute books: including plans for merger, spin off, acquisition, or transfer of shares, letters of intent or memo, important deeds and minute book of the Board.

If the Company participates in the merger, spin off, acquisition, or transfer of shares, it shall, within two days from the date of the adoption of the resolution of the Board of Directors, submit the information in Subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission for future reference in an Internet information system in a prescribed format.

Where a company participating in a merger, spin off, acquisition, or transfer of shares has a company that is not a listed company or whose shares are traded at the business premises of a securities dealer, our Company shall enter into an agreement with the Company and act in accordance with the provisions of paragraphs 3 and 4.

Article 25

People who participate in or know the merger, spin off, acquisition, or transfer of shares shall issue a written letter of confidentiality commitment and shall not disclose the contents of the plans before public disclosure of the information, nor shall they use their own names or under the names of other people to trade and merge, demerge, acquire, or transfer of shares of all the Company's shares and other marketable securities with equity property.

Article 26

The Company participating in a merger, spin off, acquisition, or transfer of shares may not arbitrarily

alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin off, acquisition, or transfer of shares:

1. The handling of cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with stock option, preferred shares with stock option, stock warrants, or other equity based marketable securities.
2. The act of disposing of the Company's material assets, etc., which affects the Company's financial operations.
3. The occurrence of major disasters, major technological changes and other events affecting the Company's shareholders' equity and interests or securities prices.
4. Any party of the Company participating in the merger, spin off, acquisition, or transfer of shares shall purchase back the treasury stocks in accordance with the law.
5. Increase or decrease in the number of subjects or families participating in merger, spin off, acquisition, or transfer of shares.
6. Other conditions which may be changed in the contract and which have been disclosed to the public.

Article 27

Where the Company participates in the merger, spin off, acquisition, or transfer of shares, the deed shall set forth the rights and obligations of the Company participating in the merger, spin off, acquisition, or transfer of shares and shall set forth the following:

1. The 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 participating company may, after the base date for calculating the proportion of shares to be exchanged, buy back the number of treasury stocks and the principles for dealing with them in accordance with the law.
4. The handling method for the increase or decrease of the number of main parts or homes.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. The relevant procedures of the expected convening dates of shareholders' meeting based on laws when a plan is overdue and still undone

Article 28

After public disclosure of the information, if any company participating in a merger, spin off, acquisition, or transfer of shares, this Company is a party intending to further carry out another merger, spin off, acquisition, or transfer of shares with another company, any procedure or legal action already completed

for the original merger, spin off, acquisition, or transfer of shares shall be carried out anew, with exceptions for cases where the number of participating companies is decreased, and where the shareholders' meeting resolved to authorize the Board of Directors to alter the limits of authority, this Company shall be exempt from re-convening of shareholders' meeting to generate another resolution.

Article 29

Where the Company is a non-publicly owned corporation participating in the merger, spin off, acquisition, or transfer of shares, the Company shall enter into an agreement with the Company and act in accordance with the provisions of Article 24, Article 25, Article 28, and the preceding article.

Article 30

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real estate from or to an affiliate, or acquisition or disposal of assets other than real estate from or to an affiliate where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. To merge, spin off, acquire, or transfer shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where the type of asset acquired or disposed is equipment for business use, the trade counterpart is not an affiliate, and the transaction amount meets any of the following criteria:
 - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area

reaches 20% or more of paid-up capital or NT\$300 million. This however shall not apply under the following circumstances:

- (1) Trading of government bonds.
- (2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription by investment professionals of ordinary corporate bonds or of general bank debentures without equity characteristics that are offered and issued in the domestic primary market, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
- (3) Trading of bonds under repurchase/ resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.
3. The cumulative amount of real estate acquired or disposed of (acquired and disposed of separately) in the same development plan within one year.
4. The cumulative amount of the same marketable securities acquired or disposed of (acquired and disposed of separately) within one year.

The so-called "within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic publicly owned corporation and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

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 5 years except where another act provides otherwise.

Under any of the following circumstances occurs after the Company announces the transactions declared in accordance with the preceding article, shall publicly announce and report the relevant information on the FSC's designated website within 2 days counting inclusively from the date of occurrence of the event:

1. The relevant contracts signed in the original transaction are subject to change, termination or rescission.
2. The merger, spin off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. There are changes to the declaration contents of the original announcement.

Article 32

Where a subsidiary of the Company is not a domestic publicly owned corporation, and where the acquisition or disposal of assets is subject to the provisions of Chapter 3 of this law, the Company shall make a public announcement.

The preceding paragraph applies to the declaration standards set forth in Paragraph 1 of Article 30, which stipulate that 20% of the paid-up capital or 10% of the total assets shall be subject to the paid-up capital or the total assets of the Company.

Article 32-1

The provisions of this procedure regarding 10% of total assets shall be calculated based on the amount of total assets in the most recent individual or individual financial report stipulated in the standards for the preparation of financial reports of securities issuers.

Article 33

If the relevant personnel of the Company violate the handling rules or this procedure, they shall act according to the working rules and internal regulations of the Company.

Article 34

This procedure shall be implemented after being approved by the Board of Directors and submitted to the Board of shareholders for approval.