

EPISIL TECHNOLOGIES INC

Procedures for Asset Acquisition & Disposal

Article 1 Purpose

In order to protect investment and implement information disclosure, the company's acquisition or disposal of assets should be handled in accordance with this procedure.

Article 2 Legal Basis

This Procedure is adopted in accordance with the provision of Paragraph 1, Article 36 of the Securities Exchange Law and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

Article 3 The scope of the assets

1. Investments such as stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Debt of financial institutions (including receivables, bills purchased, discounts and loans; and delinquent loans).
7. Derivative.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets..

Article 4 Appraisal procedures

1. For the securities not obtained or disposed through the Centralized Trading Market or GTSM, the prices shall be determined after taking into account the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined after taking account the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors' creditability.
2. For acquisition or disposal of the derivatives or the securities through the Centralized

Trading Market or GreTai Securities Market ("GTSM") of the Republic of China shall be priced based on the trading price at that time.

3. To acquire or dispose of other assets mentioned in the preceding two paragraphs, choose one of the methods of price inquiry, price comparison, price negotiation or public bidding, and should refer to the announced current value, assessed current value, actual transaction price of adjacent real estate, etc. This procedure stipulates that the reporting standards shall be announced, and the valuation report of a professional valuer shall be referred to.

Article 5 Operating procedures for handling acquisition and disposal of assets

1. To acquire or dispose of assets, the undertaking unit shall, after assessing the reasons for the proposed acquisition or disposal, the subject matter, the counterparty to the transaction, the transfer price, the conditions for receipt and payment, and the price reference basis, etc., submit a petition to the responsible unit for adjudication, and the management shall implement, related matters are handled in accordance with the relevant operating regulations of the company's internal control system and this handling procedure.
2. The company's executive unit for long-term and short-term securities investment is the management center, and the executive unit for real estate, equipment or assets with the right to use them is the user department and related responsible units. Other assets that are not securities investment, real estate, equipment or their right-to-use assets shall be evaluated by the relevant execution unit.
3. The acquisition or disposal of relevant assets shall be carried out in accordance with the relevant provisions of the company's internal control system. If a major violation is found, the relevant personnel shall be punished according to the violation.

Article 6 Approval authority

1. Negotiable securities: Authorize the general manager to conduct transactions within the quota stipulated in Article 7 of these handling procedures. If the transaction amount meets the standards for announcement and reporting in Article 8, acquire or dispose of stocks that are not traded in centralized trading markets or OTC trading centers As well as corporate bonds and privately placed securities, they should be approved by the

board of directors before proceeding.

2. The acquisition or disposal of real estate or its right-to-use assets from related parties, or other assets other than real estate or its right-to-use assets with related parties, shall be handled in accordance with the provisions of Article 16 of these procedures.
3. Merger, division, acquisition or transfer of shares: it shall be handled in accordance with the relevant provisions of this procedure.
4. Others: It shall be handled in accordance with the operating procedures stipulated in the internal control system and the authority for verification and approval. If the transaction amount reaches the announcement and declaration standard in Article 8, other than the acquisition or disposal of equipment for business use or assets with the right to use it, the other shall first be Approved by the resolution of the board of directors.

Article 7 Trade limit

1. When the company and its subsidiaries purchase real estate, equipment or right-of-use assets not for business use, the total investment shall not exceed 20% of the net value in their latest financial statements.
2. The total amount of securities invested by the company shall not exceed 200% of the company's net value, and the limit for obtaining individual securities shall not exceed 100% of the company's net value, unless approved by the board of directors.

Article 8 Standards of public announcement and declaration

If the company acquires or disposes of assets under any of the following circumstances, an announcement shall be made within two days from the day when the fact occurs in accordance with the prescribed format according to the nature:

1. Acquiring or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. Ten percent or more than NT\$300 million.

However, this does not apply to the purchase and sale of domestic government bonds or bonds subject to repurchase or repurchase conditions, and the purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.

2. Carry out merger, division, acquisition or transfer of shares.

3. The losses from derivative commodity transactions reach the upper limit of all or individual contract losses stipulated in the handling procedures.
4. The type of asset acquired or disposed of is equipment for business use, and the transaction partner is not a related party, and the transaction amount meets one of the following requirements:
 - (1) Public offering companies whose paid-in capital is less than NT\$10 billion, and whose transaction amount exceeds NT\$500 million.
 - (2) Public offering companies with a paid-in capital of NT\$10 billion or more, and a transaction amount of 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 furthermore the transaction counterparty is not a related party, 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 percent or more of paid-in capital or NT\$300 million; provided, this 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 Taiwan.
 - (2) Trading of bonds under repurchase and 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 transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "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. The company shall enter the status of derivatives transactions of the company and its subsidiaries that are not domestic public offering companies as of the end of the previous month into the information reporting website in accordance with the prescribed format on a monthly basis before the tenth day of each month.

If there are errors or omissions in the announcement of the items that should be announced by the company according to the regulations, if there are errors or omissions that need to be corrected, it shall re-announce and report all the items within two days from the day when it is known.

When the company acquires or disposes of assets, it shall keep relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the company, and keep them for at least five years unless otherwise stipulated by other laws.

Article 9 Time limit for announcement and declaration

After the company announces and declares a transaction in accordance with the provisions of the preceding article, if one of the following circumstances occurs, it shall complete the announcement and declaration within two days from the day when the fact occurs:

1. There are changes, terminations, or rescissions in the relevant contracts signed for the original transaction.
2. The merger, division, acquisition or transfer of shares has not been completed according to the scheduled schedule in the contract.
3. The content of the original announcement has changed.

Article 10 When the company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-construction, leased land commissioned construction, or acquisition and disposal of equipment for business use or its right-to-use assets, the transaction amount reaches If the company's paid-in capital is

20% or NT\$300 million or more, it shall obtain a valuation report issued by a professional appraiser before the fact occurs, and shall meet the following requirements:

1. When a fixed price, a specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the transaction should be submitted to the board of directors for approval; if there is a subsequent change in the transaction conditions, the same applies.
2. If the transaction amount exceeds NT\$1 billion, at least two professional appraisers should be invited for valuation.
3. The valuation results of professional appraisers fall under any of the following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, an accountant should be consulted in accordance with the accounting research of the Republic of China The Auditing Standards Bulletin No. 20 issued by the Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) provides specific opinions on the reasons for the differences and the fairness of the transaction price:
 - (1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.
 - (2) The difference between the valuation results of two or more professional appraisers amounts to more than 10% of the transaction amount.
4. The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if it applies to the current value announced in the same period and it has not been more than six months, the original professional appraiser may issue a letter of opinion.

Article 11. When the company acquires or disposes of securities, it shall obtain the most recent financial statement of the company with the target that has been audited and certified by an accountant or reviewed as a reference for evaluating the transaction price before the fact occurs, and the transaction amount shall reach 20% of the company's paid-in capital. or NT\$300 million or more, an accountant should be consulted to express an opinion on the rationality of the transaction price before the fact occurs. However, this restriction shall not apply if the securities are publicly quoted in an active market or otherwise

stipulated by the Financial Supervisory Commission.

Article 12 If the company acquires or disposes of intangible assets or its right-to-use assets or membership card transactions amounting to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, it shall A few days ago, I asked an accountant to express his opinion on the rationality of the transaction price, and the accountant should handle it in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.

Article 12-1 The calculation of the transaction amount in the preceding three articles shall be handled in accordance with the provisions of Article 30, Item 2, of the Standards for the Acquisition or Disposal of Assets by Public Offering Companies, and the term "within one year" is calculated retroactively based on the date when the transaction actually occurred. For one year, the part of the valuation report or accountant's opinion issued by a professional valuer who has obtained a professional valuer in accordance with the provisions of this standard is exempted from being counted again.

Article 13 Where the company acquires or disposes of assets through court auction procedures, the certification documents issued by the court may be substituted for the valuation report or accountant's opinion.

Article 14 For valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company, the professional appraiser and its appraisers, accountants, lawyers, or securities underwriters shall meet the following requirements:

1. Has not been sentenced to a fixed-term imprisonment of more than one year for violation of this Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Commercial Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or crimes in business Sure. However, this restriction does not apply to those who have been executed, the probation period has expired, or three years have elapsed since the pardon.
2. Circumstances in which the party to the transaction must not be a related party or have a substantial related party.
3. If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or have

substantial relationship with each other.

The personnel in the preceding paragraph shall handle the following matters when issuing valuation reports or opinions:

1. Before undertaking a case, one should carefully evaluate one's own professional ability, practical experience and independence.
2. When reviewing a case, proper planning and implementation of the appropriate operating procedures should be made to form conclusions and issue reports or opinions based on them; and the procedures executed, data collected and conclusions should be detailed in the case working papers.
3. The completeness, correctness, and rationality of the data sources, parameters, and information used should be evaluated item by item, so as to serve as the basis for issuing valuation reports or opinions.
4. Statements should include matters such as the professionalism and independence of the relevant personnel, the reasonableness and correctness of the information used after evaluation, and compliance with relevant laws and regulations.

Article 15 When the company acquires or disposes of assets with related parties, in addition to going through relevant resolution procedures and assessing the rationality of the transaction conditions in accordance with the regulations, if the transaction amount reaches more than 10% of the company's total assets, professional valuation should also be obtained in accordance with the provisions of the previous section. Valuation report or accountant's opinion.

The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Article 12-1.

When judging whether the transaction object is a related party, in addition to paying attention to its legal form, the substantive relationship should also be considered.

Article 16 The company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. For 10 cents or more than NT\$300 million, except for the purchase and sale of domestic government bonds, bonds with repurchase or redemption conditions, purchase or redemption of domestic money market funds, the

following materials shall be submitted to the board of directors for approval before signing Transaction contract and payment:

1. The purpose, necessity, and expected benefits of acquiring or disposing of assets.
2. Reasons for selecting related parties as transaction partners.
3. Acquisition of real estate or right-of-use assets from related parties, and relevant information on assessing the rationality of the predetermined transaction conditions in accordance with regulations.
4. Matters such as the date and price of the original acquisition by the related party, the transaction partner and its relationship with the company and the related party.
5. A cash receipt and expenditure forecast statement for each month in the coming year, which is expected to start from the contracting month, and evaluate the necessity of the transaction and the rationality of the use of funds.
6. The appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.
7. Restrictive conditions and other important agreed matters of this transaction.

The calculation of the transaction amount in the preceding Paragraph shall be in accordance with Paragraph 2 of Article 8, and the term "within one year" shall be based on the date of the actual occurrence of the transaction, retroactively calculated one year in advance, and shall be handled according to the assets acquired or disposed of by the public offering company. The guidelines provide for a partial exemption from recounting that is presented to the board of directors for approval.

If there are independent directors, the opinions of independent directors shall be fully considered when submitting to the board of directors for discussion according to the first paragraph. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting.

If there is an audit committee, matters that should be recognized by the audit committee in accordance with the provisions of item 1 should first be approved by more than half of all members of the audit committee, and submitted to the board of directors for resolution. Items 4 and 5 of the Article.

Article17 When the company acquires real estate or its right-to-use assets from related parties, under any of the following circumstances, it shall evaluate the rationality of the transaction cost

in accordance with relevant regulations. Except for one of the following circumstances, it shall consult an accountant for review and express specific opinions:

1. The related party has acquired the real estate or its right-to-use assets through inheritance or gift.
2. It has been more than five years since the related party contracted to acquire the real estate or its right-to-use assets from the signing date of this transaction.
3. Signing a joint construction contract with a related party, or acquiring real estate by asking a related party to build a real estate from a land commissioned construction, leased land commissioned construction, etc.
4. The public offering company and its parent company, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire real estate use rights assets for business use.

Article 18 When the company acquires real estate or right-of-use assets from related parties, if the evaluation results according to the regulations are all lower than the transaction price, the following matters should be handled:

1. The difference between the transaction price of real estate or its right-to-use assets and the evaluation cost shall be set aside as a special surplus reserve in accordance with regulations, and shall not be distributed or transferred to capital increase and allotment of shares. Investors who use the equity method to evaluate the company's investment, if the company is a public offering company, should also set aside the amount as a special surplus reserve in accordance with the regulations in accordance with the shareholding ratio.
2. The handling of the first paragraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

When the company sets aside the special surplus reserve in accordance with the provisions of the preceding paragraph, the asset purchased at a high price has been recognized as a loss in price or disposed of or appropriate compensation or restoration to the original state, or if there is other evidence to confirm that there is no unreasonable, and the financial supervision and management The special surplus reserve can only be used after the approval of the committee.

When the company acquires real estate or right-of-use assets from related parties, if

there is other evidence showing that the transaction is not in compliance with business practices, it shall also follow the provisions of the preceding two paragraphs.

Article19 When the company engages in derivative financial products, it should follow the company's "derivative financial product transaction processing procedures", and should pay attention to risk management and audit matters to implement the internal control system.

Article20 When the company handles mergers, splits, acquisitions, or transfers of shares, it shall appoint accountants, lawyers, or securities underwriters to express their opinions on the rationality of the share exchange ratio, purchase price, or distribution of cash or other property to shareholders before convening a resolution of the board of directors , submitted to the board of directors for discussion and approval. However, the merger of subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, is exempt from obtaining the reasonableness opinion issued by the preceding expert. For mergers, divisions, or acquisitions, important agreements and related matters, a public document addressed to shareholders shall be made before the shareholders' meeting, and shall be delivered to shareholders together with the expert opinion in the preceding paragraph and the meeting notice of the shareholders' meeting to determine whether they agree to the merger, division, or acquisition. References to acquisitions. However, this restriction does not apply to those who are exempted from convening a shareholders' meeting to resolve merger, division, or acquisition matters in accordance with other laws. In the case of a company participating in a merger, division or acquisition, if the shareholder meeting of either party fails to be convened or resolved 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, division or acquisition shall immediately disclose the Publicly explain the cause of the occurrence, follow-up processing operations and the expected date of the shareholders' meeting.

Article21 Unless otherwise stipulated by other laws or there are special factors that have been reported to the Financial Supervisory Commission for approval in advance, the company shall hold the board of directors and shareholders' meeting on the same day to resolve matters related to merger, division or acquisition:

Companies participating in the share transfer shall hold a board meeting on the same day unless other laws provide otherwise or there are special factors that have been reported to the Financial Supervisory Commission for approval in advance.

Listed companies involved in mergers, splits, acquisitions, or share transfers, or companies whose stocks are traded at the business premises of securities firms, shall make complete written records of the following materials and keep them for five years for inspection.

1. Basic personnel information: including all persons involved in the merger, division, acquisition, or share transfer plan or plan implementation before the information is disclosed, including their professional titles, names, and ID numbers (or passport numbers for foreigners).

Date of important events: including the date of signing letter of intent or memorandum, entrusting financial or legal advisor, signing contract and board of directors, etc.

2. Important documents and meeting minutes: including mergers, divisions, acquisitions or share transfer plans, letters of intent or memorandums, important contracts, and minutes of board meetings.

Companies involved in mergers, splits, acquisitions, or share transfers that are listed or whose stocks are traded at the business premises of a securities firm shall, within two days from the day when the resolution of the board of directors is passed, submit the materials in subparagraphs 1 and 2 of the preceding paragraph to the Internet in accordance with the prescribed format. The network information system report will be available for reference.

If any of the companies participating in the merger, split, acquisition, or transfer of shares is not a listed company or a company whose shares are traded at a securities firm's business premises, the listed company or its stock traded at a securities firm's business premises shall sign an agreement with it, and comply with the provisions of the third paragraph and The fourth provision shall be handled.

Article 22 When the company participates in mergers, splits, acquisitions, or share transfers, the share exchange ratio or purchase price shall not be changed arbitrarily, except in the following circumstances, and shall be stipulated in the merger, split, acquisition, or share transfer contract:

1. Handle cash capital increase, issuance of convertible corporate bonds, gratuitous allotment of shares, issuance of corporate bonds with warrants, special shares with warrants, warrant certificates, and other securities with equity nature.
2. Acts that affect the company's financial business, such as disposing of the company's major assets.
3. The occurrence of major disasters, major technological changes, and other events that affect the company's shareholders' rights or securities prices.
4. Adjustments for the legal repurchase of treasury shares by any party of the company involved in the merger, division, acquisition, or transfer of shares.
5. Changes in the increase or decrease in the number of entities or companies involved in mergers, divisions, acquisitions, or share transfers.
6. Other conditions that have been stipulated in the contract and can be changed, and have been disclosed to the public.

The company's merger, division, acquisition or share transfer contract should specify relevant matters in accordance with regulations to maintain participation Company's interests.

Article 23 Regulations on Acquisition or Disposal of Subsidiary Assets

1. Subsidiaries of the Company shall formulate the "Procedures for Handling Assets Acquisition or Disposal" in accordance with the "Guidelines for the Handling of Assets Acquisition or Disposal by Public Issue Companies."
2. If the subsidiary company is not a domestic public offering company, and the acquisition or disposal of assets reaches the standard for announcement and declaration stipulated in Article 8, the parent company shall handle the announcement and declaration.
3. The term "reaching the company's paid-in capital or total assets requirement" in the subsidiary's announcement and reporting standards refers to the parent company's paid-in capital or total assets.

The so-called subsidiaries refer to the invested companies in which the company directly holds more than 50% of the issued voting shares or each of the invested companies in which the company indirectly holds more than 50% of the issued voting shares through subsidiaries, And so on, or each investee company in which the company holds more

than 50% of the issued voting shares directly and indirectly through its subsidiaries, and so on.

Article24 Financial Statement Disclosures

If the company acquires or disposes of assets that meet the reporting standards stipulated in Article 8 of these handling procedures, and the transaction counterparty is a substantial related party, the content of the announcement shall be disclosed in the notes to the financial statements.

Article25 Implementation date

This procedure is approved by the Audit Committee and the Board of Directors and then submitted to the Shareholders' Meeting for approval. The same is true for amendments. If there are independent directors, when submitting the acquisition or disposal procedures to the board of directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of each independent director shall be fully considered. If independent directors have objections or reservations, they shall be stated in the minutes of the board meeting.

If there is an audit committee, more than half of all members of the audit committee should agree to formulate or amend the procedures for asset acquisition or disposal, and submit it to the board of directors for resolution.

If the preceding paragraph is not approved by more than half of all members of the audit committee, it may be implemented with the consent of more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.

If there is an audit committee, major asset or derivative commodity transactions should be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution.

All members of the audit committee and all directors referred to in the preceding paragraph shall be counted by those actually in office.

Article26 The Procedures were established on June 6, 2014.

First amended on June 22, 2017.

Second amended on June 12, 2019.

Third amended on June 14, 2023.