

MIN AIK TECHNOLOGY CO., LTD.
Procedures for Acquisition or Disposal of Assets

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Article 1 The Procedure is established to protect the Company's assets and implement information disclosure. All the acquisition or disposal of assets within the group shall be handled in accordance with the provisions of the Procedure. The operations not covered by the Procedure shall be handled in accordance with other relevant regulations of the Company and the "Regulations Governing the Acquisition and Disposal of Assets of Public Companies" promulgated by the competent authority.

Article 2 The applicability of assets referred to herein is specified as following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Membership card.
- IV. Patents, copyrights, trademarks, franchise rights and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other important assets.

Article 3 Definitions

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law: Assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. Professional appraiser: A real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: The date of contract signing, date of payment, date of consignment trade, date of transfer, date of resolution of the board of directors, or other date that can confirm the counterpart and amount of the transaction, whichever date is earlier. However, for the investors that need to be approved by the competent authority, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Investment in Mainland China: An investment in Mainland China that is made in accordance with the Investment Commission, Ministry of Economic Affairs, or the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area
- VII. Investment professional: Financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: The “domestic securities exchange” refers to the Taiwan Stock Exchange Corporation. The “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter market: The “domestic OTC market” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange. The “foreign OTC market” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 The professional appraisers and their appraisers, certified public accountants, lawyers, or securities underwriters from whom within the group obtained the appraisal report or written opinions shall comply with the “Regulations Governing the Acquisition and Disposal of Assets of Public Companies” promulgated by the competent authority and related regulations..

Article 5 in principle, the Companies within the group shall not engage in the acquisition or disposal of bonds or debts of any financial institutions. If it intends to engage in the acquisition or disposal of bonds or debts of any financial institutions in the future, it shall report to the Board of Directors for approval before formulating its evaluation and operating procedures.

Article 6 Procedures for group Companies to acquire and dispose of intangible assets or the right-of-use assets thereof, or membership cards:

- I. In order to resolve the trading conditions and price of the acquisition or disposal of memberships, it is necessary to take the market fair value into account and prepare specific analysis report and submit the same to the president. The

transaction amounting to less than NT\$15 million shall be subject to prior approval of the Chairman and reported to the latest Board of Directors' meeting, while the transaction amounting to more than NT\$15 million shall be subject to prior approval of the Board of Directors.

- II. In order to resolve the trading conditions and price of the acquisition or disposal of intangible assets, it is necessary to take the expert's appraisal report or market fair value into account and prepare specific analysis report and submit the same to the responsible supervisor. The transaction amounting to less than NT\$10 million (inclusive) shall be subject to prior approval of the Chairman. The transaction amounting to NT\$10 million~NT\$20 million shall be subject to prior approval of the Chairman and reported to the latest Board of Directors' meeting, while the transaction amounting to more than NT\$20 million shall be subject to prior approval of the Board of Directors.
- III. Appraisal reports on membership card or intangible assets:
 - (I) If the Company's transaction amount for acquiring or disposing of membership cards reaches 10% of the paid-in capital or more than NT\$15 million, an appraisal report shall be issued by an expert.
 - (II) If the Company's transaction amount for acquiring or disposing of intangible assets reaches 10% of the paid-in capital of that execute company's or more than NT\$20 million, an appraisal report shall be issued by an expert.
 - (III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership cards and the transaction amount reaches more than 20% of that execute company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
- IV. The calculation of the transaction amount shall be done in accordance with Paragraph 1, Article 13 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 7 Procedures for the Company's acquisition or disposal of property, equipment or other right-of-use assets within the group:

- I. When acquiring or disposing of property, equipment or other right-of-use assets, except for transactions with domestic government agencies, commissioned construction on own land, commissioned construction on leased land, or acquisition or disposal of equipment or other right-of-use assets for business use, if the transaction amount reaches more than 20% of that execute company's paid-in capital or NT\$300 million or more, an appraisal report issued by a professional appraiser shall be obtained before the date of occurrence of the fact. Meanwhile, the following requirements shall be met:
 - (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction

price, the transaction shall be submitted for approval in advance by the board of directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (III) 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 render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
 - (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- II. When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the transaction Amount reaches 20% percent of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the competent authority.
- III. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- IV. The calculation of the transaction amount shall be done in accordance with Paragraph 1, Article 13 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 8 The authority for the acquisition or disposal of property, equipment or other right-of-use assets is specified as following:

- I. Any long-term and short-term investments are subject to the approval by the Financial Management Division per the following level of authority.
 - (I) Short-term investment: The Financial Management Division may use the remaining short-term funds to engage in the short-term investment referred

to in the subparagraph 1, Paragraph 1 of Article 2 herein. The amount is less than NT\$10 million (inclusive) and approved by the supervisor of the Financial Management Division, provided that the amount more than NT\$10 million shall be subject to authorization by the President (CEO).

(II) Long-term investment: The amount of long-term investment related to development of business less than 10% of the execute company's paid-in capital shall be subject to authorization by the Chairman, while the amount exceeding 10% of that execute company's paid-in capital shall be subject to approval of the Board of Directors and handled by the Chairman with authorization.

II. Property, equipment or other right-of-use assets:

(I) Based on its operational needs, any department within the group may conduct investigation, analyze the trading prices and market prices in neighboring regions or peers, market conditions, and future trends, and then report the transaction for approval upon price inquiry and negotiation.

(II) If the transaction price for the single or batch acquisition or disposal of the Company's assets for operating purposes is less than 10% (inclusive) of that execute company's paid-in capital, such transaction shall be subject to the authorization by the President (CEO). The transaction price more than 10% of that execute company's paid-in capital, if any, shall be subject to approval per resolution of the Board of Directors and handled by the Chairman with authorization.

(III) For the acquisition or disposal of assets for operating purposes between the Company and its subsidiaries, the Board of Directors shall authorize the Chairman to make a decision within 10% of the acquisition company paid-in capital in advance, and then report to the nearest session of the Board of Directors for ratification.

III. The investment limits of the Company and its subsidiaries are specified as following:

(I) The total amount of real property purchased for non-operating purposes shall not exceed 20% of the execute company's current net worth for the current period.

(II) The total amount of the securities purchased shall not exceed the Company's total net worth for the current period.

(III) The investment in individual securities shall not exceed 50% of the Company's net worth in the current period. provided that it shall not exceed that execute company's total net worth for the current period. In the case of an investee wholly owned by the Company.

Article 9 The related party transactions shall be handled in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets of Public Companies" promulgated by the competent authority.

Article 10 The Company's subsidiaries shall comply with the following provisions:

I. Acquisition or disposal of assets by the Company's subsidiaries shall be handled in tent authority.

- II. The acquisition or disposal of assets by subsidiaries shall also comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by the competent authority.
- III. The Company shall also announce and report the acquisition or disposal of assets by a subsidiary that is not a public company as required by the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
- IV. The Company’s paid-in capital or total assets shall be the standard applicable to a subsidiary in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing.

Article 11 Procedure for Acquisition or Disposal of Derivatives

I. Transaction principles and policies:

- (I) Type of transaction: The derivatives referred to herein mean transaction contracts as referred to in the subparagraph 1, Paragraph 1 of Article 3 herein.
- (II) Operating and hedging strategy: The Company engages in the derivatives trading in accordance with the principle of risk hedging, and the operation currency is limited to the foreign currency receipts and payments arising from the Company’s import and export business and the hedging needs of the business, in order to lock on income or cost.

(III) Responsible Unit:

1. The personnel authorized to conduct the derivatives trading shall be designated by the head of the Financial Management Division. When the qualification of a trader is lost or acquired, the Financial Management Division shall immediately notify the trading counterpart of the effective date of the change of qualification as a trader from the date of loss or acquisition, in order to protect the rights and interests of the Company.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. The same shall apply to the appointment of the personnel for settlement and confirmation and the change of qualification *mutatis mutandis*.

- (IV) Performance evaluation: At least once a week, traders shall evaluate and report to the head of the Financial Management Division on the positions held, executions, prevailing market conditions and other related matters of derivatives trading. However, the hedging transactions conducted for business needs shall be evaluated at least twice a month and submitted to the head of the Financial Management Division for review.

(V) Transaction limit:

1. The total amount of unsettled derivatives contracts conducted by the Company shall not exceed the net foreign currency requirements of receivables and payables generated by that execute company’s operations in the past four months.
2. Any duly authorized person engaged in the trading in excess of his or her own limit must obtain written approval from the personnel

meeting the authorized limit. In order for the trading counterparts to act in response to the Company’s regulations and management, the authorized limit and currency shall be notified in writing to the trading counterparts. Any amendments to the authorized limit shall be subject to the approval of the Chairman and then reported to the nearest session of the Board of Directors.

- (VI) Maximum loss limit on total trading and for individual contracts
 1. Maximum loss limit for individual contracts: 20% of the individual contract amount.
 2. Maximum loss on total trading: The net loss on all unsettled contracts is 10% of the total unsettled contracts.
 3. If the loss exceeds the maximum loss limit on total trading or for individual contracts, it shall be reported to the Chairman and necessary responsive measures shall be taken. Then, the same shall be reported to the nearest session of the Board of Directors.

II. Operational descriptions:

(I) Credit limit and level

Authorized limit per trading day:

Traders	Head of Financial Management Division	CEO
Less than US\$500,000 (inclusive)	US\$500,000~US\$1 million	More than US\$1 million

(II) Operating procedure:

1. When traders have to trade derivatives depending on market changes, they have to fill in the “Derivatives Trading Application Form” and submit it to the responsible manager for approval and execution.
2. Upon completion of the transaction, the traders shall forward the “Derivatives Trading Application Form” to the personnel engaged in confirmation of transactions.
3. After the personnel engaged in confirmation of transactions confirm the transaction details with the correspondent bank, the types and amounts of derivatives trading, the matters to be evaluated with care, including the date of approval by the Board of Directors, performance of the positions held, and transaction risks of the derivatives trading, shall be recorded in the memorandum book for future reference.
4. When the Company engages in the derivatives trading via the duly authorized personnel pursuant to the Procedure for Acquisition or Disposal of Derivatives, it shall report the same to the nearest session of the Board of Directors subsequently.

(III) Risk management:

1. The Company’s trading counterparts are banks or internationally renowned financial institutions that the Company has dealings with

and can provide professional information.

2. The Company generates foreign currency assets or liabilities due to operational needs. In consideration of changes in the future market, the Company chooses to engage in derivatives trading in order to prevent market changes from affecting the performance of the core profession. Meanwhile, based on the hedging principle, the Company avoids engaging in financial operations.
3. Traders should abide by the authorized limit requirements and pay attention to the Company's cash flows to ensure that there is sufficient cash for payment.
4. The responsible supervisor designated by the Board of Directors shall assess whether the transaction performance satisfies the Established business strategy and whether the risk assumed falls within the tolerance scope permitted by the Company. He/she shall report the abnormality, if any, to the Board of Directors immediately and take necessary responsive measures. Independent directors, if any, shall attend the board meeting and express their opinions.
5. The responsible supervisor designated by the Board of Directors shall evaluate whether the current risk management procedures are appropriate and whether they are indeed handled in accordance with the handling procedures established by the Company.
6. The personnel responsible for measuring, monitoring and controlling risks shall be from a department different from the department of the personnel referred to in the preceding subparagraph, and shall report to the Board of Directors or a senior officer who is not responsible for transactions, or decision making for positions.

III. The accounting treatment of derivatives trading: Subject to the International Accounting Standards, International Financial Reporting Standards (IFRSs) and related laws and regulations.

IV. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit on how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

Article 12 The merger, division, acquisition, or transfer of shares of the Companies within the group shall be handled in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets of Public Companies" promulgated by the competent authority.

Article 13 Information Disclosure Procedure

- I. Under the following circumstances, the acquisition or disposal of assets shall be announced and reported on the website designated by the competent authority in accordance with the nature of the acquisition or disposal of assets within two days from the date of occurrence of the fact in the prescribed format:

- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% of the Company's paid-in capital or 10% of the Company's total assets or more than NT\$300 million, provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the maximum loss limit on total trading or for individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterpart is not a related party, and the transaction amount meets any of the following criteria:
 - 1. The Company's paid-in capital is less than NT\$10 billion, while the transaction amount reaches NT\$500 million or more.
 - 2. The Company's paid-in capital is more than NT\$10 billion, while the transaction amount reaches NT\$1 billion or more.
- (V) Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the trading counterpart is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital amounting to NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the trading counterpart is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- (VI) 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 trading counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- (VII) The transaction amount reaches 20% of Headquarters paid-in capital or more than NT\$300 million in the transaction of assets other than those described in the preceding six subparagraphs, disposal of bonds or debts by a financial institution, or the investment in the Mainland China area, unless in the following circumstances:
 - 1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.
 - 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription for foreign government bonds,

or for ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription for or redemption of securities investment trust funds or futures trust funds, or subscription for or redemption of exchange traded notes, 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 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.
- (VIII) The amount of said transactions shall be calculated in the following manners. “Within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with relevant requirements need not be counted toward the transaction amount.
1. The amount of each transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterpart 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 securities within the preceding year.
- II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority before 10th day of each month.
- III. When the 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.
- IV. When acquiring or disposing of assets, Companies within the group shall keep relevant contracts, minutes of meetings on record, registries, quotations, the opinions of the CPAs, lawyers or securities underwriters at the Company for at least 5 years, unless otherwise provided by laws.

- V. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with said requirements, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days counting inclusively from the date of occurrence of the event:
- (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (III) Change to the originally publicly announced and reported information.

Article 14 If any employees within the Group found violate the acquisition or disposal of assets Procedure, The said employee shall be punished in accordance with the Company's Reward and Punishment Management Regulations.

Article 15 the "Procedure for Acquisition and Disposal of Assets" shall be subject to approval by the Audit Committee and Board of Directors, and then submitted to a shareholders' meeting for approval. The same shall apply where the Procedure is amended.

When the "Procedure for Acquisition and Disposal of Assets" and any acquisition or disposal of assets or other legal requirements subject to approval of the Board of Directors are submitted for discussion by the Board of Directors, 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 minutes of the Board of Directors meeting.

Article 16 According to the regulations, matters that shall be resolved by the Audit Committee shall be approved by a majority of all of the Audit Committee members and submitted to the Board of Directors for resolution. If approval of a majority of all of the Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all of the Audit Committee members" and "all directors" referred to herein shall be counted as the actual number of persons currently holding those positions.