

Procedures for Acquisition or Disposal of Assets of ADDcn Technology Co., Ltd

Date: June. 15, 2022

(This translated document is prepared in accordance with the Chinese version and is for reference only. the company hereby disclaims any and all liabilities whatsoever for the translation. the chinese text of the handbook shall govern any and all matters related to the interpretation of the subject matter stated herein.)

1. Purpose and Source of Law

These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the Financial Supervisory Commission (hereinafter "FSC") for the purpose of protecting investment and implementing information disclosure.

2. Definitions

1. The term "assets" as used in these Procedures includes the following:

- (1) Investments in 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) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- (7) Derivatives.
- (8) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- (9) Other major assets.

2. The term "Derivatives" as used in these Procedure refers to 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-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

3. The term "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law" as used in these Procedure refers to 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.
4. The term "Related party or subsidiary" as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. The term "Professional appraiser" as used in these Procedure refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
6. The term "Date of occurrence" as used in these Procedure refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
7. The term "Mainland China area investment" as used in these Procedure refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
8. The term "The most recent financial statements" as used in these Procedure refers to the financial statements of the Company certified or reviewed by certified public accountant which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets.
9. The term "For the calculation of 10 percent of total assets" as used in these Procedure refers to the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

3. Appraisal and Operating Procedure

1. The appraisal procedure in acquiring of assets: with respect to the real property, equipment, or right-of-use assets thereof, each unit shall draw up a plan of capital expenditure and conduct feasible evaluation process first, then submit to the Management Division to designate the budget, and then implement and control according to the plan; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.
2. The appraisal procedure in disposing of assets: with respect to the real property, equipment, or right-of-use assets thereof, each unit shall propose by a project with stating its reason and means, and then approved by the Company before implement; with respect to the investing of securities, it shall

set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.

3. The investing of securities of assets: shall be periodically evaluate reasonable in accordance with the Generally Accepted Accounting Principles, and be set aside allowance for reduction of investment. Each securities certificate should be registered by the Financial Unit, and stored in a safe deposit box.
4. Each equity investment and bond, the Company shall obtain the share certificates or bond certificates with the Company as the investor within thirty days from the date such stocks or bonds may be issued by the invested company pursuant to the Company Act. If it is acquired by transfer, the Company shall immediately handle the transfer of equity process.
5. The Company acquiring or disposing of securities 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, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding 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 regulations of the FSC.
6. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic 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.
7. The calculation of the transaction amounts referred to in the preceding paragraph 5, 6 shall be done in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
8. 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.

4. Approval Process of the Terms and Conditions of the Transaction

1. Except where through court auction procedures, securities trading on centralized securities exchange market or OTC markets, the Company acquires or disposes of assets, shall be approved by the Board of Directors in advance, if it reaches the threshold requiring public announcement and regulatory filing under Article 7 of these Procedures; shall be approved by the Board of Shareholders in advance, if the conditions for the provisions of Article 185 of Company Act are met.
2. The assets acquired or disposed of by the Company, in which are the securities trading on centralized securities exchange market or OTC markets and doesn't reach a threshold requiring public

announcement and regulatory filing, the board chairman may delegate the Responsible Units to operate according to the Regulations Governing Authorization of Duties and Agent.

3. The means of price determination and supporting reference materials of the preceding paragraph, shall be taken in accordance with the following:
 - (1) In acquiring or disposing of the securities which are trading on centralized securities exchange market or OTC markets should be determined according to the equity or bond price upon acquisition or disposal.
 - (2) In acquiring or disposing of the securities which are not trading on centralized securities exchange market or OTC markets, shall be referred to the net value per share, profit-making ability, future expanding potential, market interest rate, bonds coupon rate, debt credit rating and others, and determined by reference to the attesting CPA's opinion and the transaction price upon acquisition or disposal.
 - (3) In acquiring or disposing of real property, equipment or right-of-use assets thereof, shall be referred to the publicly announced current value, the assessed current value, and the actual transaction price of neighboring real property before the approval, if it reaches the threshold requiring public announcement and regulatory filing under these Procedures, an additional appraisal from a professional appraiser shall be obtained.

5. The Responsible Units

The responsible units of the Company: regarding the investing of securities is Finance Division, and regarding real property, equipment or right-of-use assets thereof, are Assets Management Division and the relevant responsible units.

6. Exclusion Clauses about Related Party

1. The qualifications of professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the provisions of Article 5 of: "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
2. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

7. Public Disclosure of Information

1. 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 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 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 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.

- (2) Merger, demerger, acquisition, or transfer of 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 equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million 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 (1)~(5) 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:
 - A. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. 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 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.
 - (5) "Within the preceding year" as used in the preceding paragraph (2) through paragraph (4) 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.
3. 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 FSC by the 10th day of each month.

4. 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.
5. 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, where they shall be retained for 5 years except where another act provides otherwise.
6. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

8. Related Party Transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, Article 12 and this Article herein, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, and Article 12 herein. Besides, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. The calculation of the transaction amount shall be made in accordance with Article 7, paragraph 2 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.
2. When acquiring or disposing of real estate or its right to use assets from a related party, or acquiring or disposing of assets other than real estate or its right to use assets with a related party, and the transaction amount reaches 20% of the Company's paid in capital, 10% of its total assets, or NT \$300 million or more, except for trading domestic government bonds, bonds with buy-back or sell-back conditions, and applying for or buying back money market funds issued by domestic securities investment trust enterprises, the following information should be submitted to the Audit Committee and the Board of Directors for approval, and then sign the transaction contract and making payment:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with this Article, paragraph 3 and paragraph 4 herein.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may 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:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (2) Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to this paragraph, subparagraph 1 herein, 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.

If the Company or a subsidiary thereof that is not a domestic public company will make a transaction set out in Subparagraph I and the transaction amount will reach 10% or more of the Company's total assets, the Company may not proceed to enter into the transaction contract or make a payment until all the matters specified in Subparagraph I are submitted to and approved by the shareholders' meeting. However, this restriction does not apply to transactions between the Company and its subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in Subparagraph I and the preceding subparagraph shall be made in accordance with Paragraph II of Article Seven, and the "preceding year" herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting and board of directors and ratified by the Audit Committee need not be counted toward the transaction amount.

3. The Company that acquires real property from a related party shall appraise the reasonableness of the transaction costs by the following means (Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the following):
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously used the property as collateral 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 a related party as one of the trading counterparties.
4. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.
5. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 2, and paragraph 3 through paragraph 4 herein do not apply:
 - (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
6. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of the Company's appraisal conducted in accordance with this Article, paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with the paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the paragraph 3, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - C. Completed leases by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices.
 - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
 - (3) Completed transactions involving neighboring or closely valued parcels of land in the subparagraph 1 and 2 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 current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties 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 property or obtainment of the right-of-use assets thereof.
7. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the paragraph 3 through paragraph 6, are uniformly lower than the transaction price, the following steps shall be taken:
- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. The Company that has set aside a special reserve under above may not utilize the special reserve until it has recognized a loss on decline in market

value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (2) The Audit Committee shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
- (3) Actions taken pursuant to the preceding subparagraph (1), (2) two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

9. The Scope and Amount of Investment

Except the assets acquired for business use, the limits of the real property and right-of-use assets thereof or securities acquired by the Company for non-business use are as follow:

1. The Company:

- (1) The total amount of investment in non-business use real property and right-of-use assets thereof may not exceed thirty percent of the Company's net value.
- (2) The total amount of investment in securities may not exceed sixty percent of the Company's net value.
- (3) The total amount of investment in individual securities may not exceed twenty percent of the Company's net value.

2. Where the Subsidiary is a professional investment company:

- (1) The total amount of investment in non-business use real property and right-of-use assets thereof may not exceed fifty percent of the Company's net value.
- (2) The total amount of investment in securities may not exceed two hundred percent of the Company's net value.
- (3) The total amount of investment in individual securities may not exceed two hundred percent of the Company's net value.

3. Where the Subsidiary is other than a professional investment company:

- (1) The total amount of investment in non-business use real property and right-of-use assets thereof may not exceed sixty percent of the Company's net value.
- (2) The total amount of investment in securities may not exceed sixty percent of the Company's net value.
- (3) The total amount of investment in individual securities may not exceed twenty percent of the Company's net value.

10.Engaging in Derivatives Trading

1. Trading principles and strategies

- (1) Types of Derivatives: The types of derivatives include 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-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- (2) Operating and Hedging Strategies: The Company engages in derivatives transaction should be aimed at hedging. The selected trading derivatives should be based on that enable the Company to avoid the risks of business operations. The transaction counterparty should also choose the banks that have business dealings with the Company as much as possible to avoid credit risk.
- (3) Segregation of Duties:
 - A. Financial Unit:
 - Collecting opinions from market information financial advisors, judging trends and risks, familiarizing with financial products and related laws and regulations, operational skills and others, and engaging in transactions according to the instructions and authorized parts of the responsible management personnel, to avoid the risk of market price fluctuations.
 - Periodically evaluate.
 - Periodically public announcement and regulatory filing.
 - B. Accounting Unit:

Keeping accounts and preparing financial statements in accordance with the Generally Accepted Accounting Principles.
 - C. Audit Unit:

The auditor shall, in accordance with the regulations, conduct auditing matters to the relevant personnel engaged in the transaction, request the relevant documents for review, and measure, monitor and control the risk, and then submit the report in writing.
- (4) essentials of performance evaluation:
 - A. Hedging Transaction:
 - The performance evaluation is based on the profit and loss produce from engaging in derivatives trading by the account exchange rate.
 - The profit and loss shall be evaluated on a monthly basis.
 - B. Particular Purpose Transactions:

The performance evaluation is based on the actual profit and loss.
- (5) Transaction Amount:
 - A. Total Amount of Contracts: The total amount of Contracts in the Company engage in derivatives trading may not exceed thirty percent of the Company's pay-in capital.

- B. Particular Purpose Transaction: The Financial Unit may draw up a strategy based on the forecast of changing conditions of the market, but shall not conduct until it approved by the general manager and the chairman of the board of directors.
- (6) The Maximum Loss Limit: The maximum loss limit on total trading in the Company engage in derivatives trading may not exceed three percent of the total investment amount and the maximum loss limit for individual contracts in the Company engage in derivatives trading may not exceed thirty percent of the total amount of contracts.
 - (7) The matters relevant to bond margin trading, shall be subject to mutatis mutandis application of this Article.
2. Risk Management Measures:
- (1) Risk Management:
 - A. Credit Risk's Considerations: The transaction counterparty should be limited to the banks that have business dealings with the Company and can provide professional information to the Company for the principle.
 - B. Market Risk's Considerations: The market is dominated by the bank's OTC and currently does not consider the futures market.
 - C. Liquidity's Considerations: To ensure liquidity, the transaction bank must have adequate equipment, information and transaction capabilities and can be traded in any market.
 - D. Operational Considerations: The personnel engaged in derivatives trading must exactly comply with the authorization amount limit, operating procedure for avoiding operational risk.
 - E. Legal Considerations: Any document signed with the bank shall be reviewed by the Legal Department before it signed formally to avoid legal risks.
 - F. Commodity Risk's Considerations: Internal personnel engaged in derivatives trading for derivatives transactions should have complete and correct expertise to avoid misuse of derivatives lead to losses.
 - (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the trading and confirmation, settlement personnel and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
 - (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
 - (5) Other Important Risk Management Measures.
3. Where the Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

- (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
 - (3) Penalties for the relevant personnel violating these Procedures.
4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the operating procedures for engaging in derivatives trading formulated by the Company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion.
 5. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Relevant Procedures for Engaging in Derivatives Trading.
 6. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 4 of paragraph 2, subparagraph 2 of paragraph 3 and subparagraph 1 of paragraph 4 of this Article, shall be recorded in detail in the log book.
 7. Internal audit system: The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the operating 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.

11. Merger, Demerger, Acquisition, or Transfer of Shares of Enterprises

1. The Company that conducts a merger, demerger, 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 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.

2. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
3. The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
4. The Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in item 1 through 2 of the preceding paragraph 3, subparagraph 3 to the FSC for recordation.
 5. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the

Company shall sign an agreement with such company and conduct in accordance with the provisions of the paragraph 3 and paragraph 4.

6. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity-type security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
7. The Company 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, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-type security.
 - (2) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
8. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations thereof, and shall also record the following:
 - (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
9. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating

company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of this Article, paragraph 3 through paragraph 6, and paragraph 9.

12. Appraisal Report of Real Property, Equipment or right-of-use assets thereof acquired or disposed

In acquiring or disposing of real property, equipment, or right-of-use assets thereof 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 domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held 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) 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.
- (2) Where the transaction amount is NT\$ 1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. 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 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.

The calculation of the transaction amounts shall be made in accordance with Article 7, paragraph 2 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.

13.Other Matters

1. Information required to be publicly announced and reported on acquisitions and disposals of assets by the subsidiary of the Company that is not a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to “paid-in capital or total assets”, it reaches a threshold requiring public announcement and regulatory filing.
2. The Company's subsidiaries acquiring or disposing of assets, shall establish its Procedures governing the acquisition or disposal of assets in accordance with the provisions of the Regulations. After these Procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting of each subsidiary for approval; the same applies when these Procedures are amended. The Company shall see to it that its subsidiaries adopt these Procedures governing the acquisition or disposal of assets in compliance with the Regulations and check by itself, the internal audit department shall review the audit reports or self-assessment reports submitted by each subsidiary, and shall follow up on the correction of any defects.
3. Where the assets acquired or disposed of by the Company reaches the threshold requiring public announcement and regulatory filing of these Procedures, and the transaction counterparty is a de facto related party, the publicly announced and reported information shall be disclosed in the financial statement notes, and be submitted to the shareholders meeting.
4. The relevant personnel violating these Procedures and applicable laws and regulations, the Company may make a warning, demerit, demotion, suspension, salary reduction or other penalty, and make it as an internal review.
5. If there is any incomplete matters in these Procedures, it shall be handled in accordance with the applicable law and regulations of the Company. However, If the original regulations and legal interpretations of Procedures Governing the Acquisition and Disposal of Assets amended by the authorities, the Company shall comply with the new regulations and legal interpretations.
6. ADDCN TECHNOLOGY (Shenzhen) LLC.

14.Implementation and Amendment

1. The setting of the handling procedures shall be approved by more than half of the members of the Audit Committee. The procedures hereof shall be submitted to the Board of Directors for resolution. After the approval of the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. And the amended ones shall be done at the same way. If any disagreement or disciplinary or written statement from the directors, the information of the director's disagreement shall be sent to the Audit Committee.
2. If the preceding paragraph is not approved by more than half of the members of the Audit Committee, it should be approved by more than two thirds of the directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Meeting of the Board.
3. All members of the Audit Committee referred to in the preceding two paragraphs and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.

4. When submitting to the Board of Directors for discussion according to the provisions of Paragraph I, the opinions of each independent director shall be fully considered. If the independent director has any objection or reservation, it shall be recorded in the minutes of the Meeting of the Board.
5. Any matters not covered in the Procedures shall be handled in accordance with the relevant laws and regulations.