



Sonix Technology Co., Ltd.

Procedures for Acquisition or Disposal Assets

Chapter 1 Acquisition or Disposal of Assets

- Article 1: These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and handle the acquisition or disposal of assets in compliance with these Regulations.
- Article 2: The term "assets" as used in these Regulations 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 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.
- Article 3: Terms used in these Regulations are defined as follows:
1. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 2. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
 3. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other 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.
 4. Mainland China area investment: 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.
 5. The most recent financial report: refers to the most recent individual or individual financial report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- Article 4: Evaluation procedure
- When the company acquires or disposes of assets, the execution unit shall submit a decision after a feasibility assessment of the reasons for the proposed acquisition or disposal, the subject matter, the counterparty of the transaction, the transfer price, the terms of receipt and payment, and the reference basis for price determination.
1. 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 certified public accountant 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.

2.A public 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 Financial Supervisory Commission (FSC).

3.Where a public 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.

4.The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 31, 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.

A public 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.

Article 5: Where a public 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.



Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. 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.

When issuing valuation reports or opinions, the personnel referred to in the preceding paragraph shall follow the self-discipline regulations and related matters of the respective trade associations to which they belong.

Article 7: Operating procedure

1. Authorization level and quota
 - (1).The acquisition or disposal of negotiable securities shall be handled in accordance with the relevant internal regulations of the company. If the transaction amount exceeds NT\$300 million, it must be approved by the board of directors, and the transaction shall be conducted in accordance with the quota specified in Article 10.
 - (2).The acquisition or disposal of real estate and equipment shall be handled in accordance with the relevant internal regulations of the company. If the transaction amount exceeds NT\$300 million or more, it must be approved by the board of directors.
 - (3).The acquisition and disposal of membership cards, intangible assets, right-of-use assets, and creditor's rights of financial institutions and other important assets shall be handled in the same way as real estate and equipment.
 - (4).The acquisition or disposal of derivative products shall be handled in accordance with the relevant provisions of Section 3 of these procedures.
 - (5).The acquisition or disposal of mergers, divisions, acquisitions, and transfer of shares in accordance with the law shall be handled in accordance with the relevant provisions of Section 4 of these procedures.
2. Execution unit
 - (1).Securities and Derivatives: Finance Department.
 - (2).Others: management department, user department or other relevant departments.
3. Transaction process
The acquisition or disposal of assets shall be handled in accordance with laws and regulations and relevant company rules.

Article 8: If the acquisition or disposal of assets by the company should be approved by the board of directors in accordance with these procedures or other laws and regulations, it shall fully consider the opinions of the independent directors.

Article 9: Information disclosure
Under any of the following circumstances, a public 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 meets any of the following criteria:

A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.

B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and 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 six 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:

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.

The amount of transactions above shall be calculated as follows:

A. The amount of any individual transaction.

B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

C. 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.

D. 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.

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



Where any of the following circumstances occurs with respect to a transaction that a public 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.

Article 10: Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities.

1. The total amount of non-business real estate and its right-to-use assets shall be limited to the paid-in capital of the company and its subsidiaries.
2. The total amount of securities investment shall not exceed the total amount of equity in the most recent financial report of the company and its subsidiaries.
3. The individual investment limit of marketable securities shall not exceed 50% of the total equity in the company's most recent financial report; the subsidiary shall not exceed the total equity in its most recent financial report.

Article 11: Control procedures for the acquisition and disposal of assets by subsidiaries.

1. A public company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Regulations.
2. If the subsidiary company is not a domestic public offering company, and the acquisition or disposal of assets meets the standards for announcement and reporting, the company shall also announce and report on its behalf. If there is a correction, the same is true.
3. In the declaration standard of the subsidiary company, the term "20% of the company's paid-in capital or 10% of the total assets" refers to the company's paid-in capital or total assets.

Chapter 2 **Related Party Transactions**

Article 12: When a public 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, 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

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of 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, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

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 Article 16 and Article 17.

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 article.

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 a public company and its parent or 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 pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

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.

If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, 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 that have been approved by the shareholders meeting or board of directors and recognized by the audit committee need not be counted toward the transaction amount.

Article 13: The acquisition or disposal of assets by the company and its related parties shall be handled in accordance with the "Standards for the Handling of Assets Acquired or Disposed by Public Companies" promulgated by the Financial Supervisory Commission, in addition to the application of these procedures.

Chapter 3 **Engaging in Derivatives Trading**

Article 14: Trading principles and strategies

1. Type of transaction: Derivative commodities referred to in this procedure refer to the value derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. futures contracts, option contracts, futures contracts, leveraged margin contracts, exchange contracts, combinations of the above contracts, or combination contracts or structured commodities embedded in derivative commodities. The so-called forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sale) contracts.

2. Operational or hedging strategies: The financial department of the company shall conduct transactions of various derivatives within the authorized limit of this procedure in order to fully utilize the excess funds and avoid the depreciation of



asset value caused by fluctuations in exchange rates and interest rates. The main purpose of the company's strategy should be to avoid business risks, and the operating currency should be limited to the foreign exchange income, expenditure, assets or liabilities generated by the company's business operations.

3.Division of powers and responsibilities: Only the personnel of the financial department approved by the general manager authorized by the board of directors can engage in derivative products

For transactions, the approved financial department personnel shall submit an evaluation report on the proposed transaction item, purpose, amount, duration, estimated profit and loss, etc., and submit it to the general manager for approval before execution.

4.Authorization level and quota:

Level	single amount limit	Maximum amount per month
General manager	USD 2 million	USD 6 million
Financial Officer	USD 1 million	USD 3 million

The financial director must submit a petition to the general manager for ratification after the transaction within the scope of authority; the transaction amount exceeding the above-mentioned standard must be submitted to the chairman for approval.

5.Performance evaluation essentials: The financial department shall calculate the net profit and loss according to the market price on a weekly basis for derivatives trading contracts, and submit it to the general manager for review.

6.The total contract amount and the maximum loss amount:

(1).Hedging transactions: The total contract amount is limited to the net position of the company's receivables and payables or the balance of assets and liabilities arising from business in the next six months. Those exceeding this limit must be reported to the board of directors for approval on a case-by-case basis. When the loss of individual contracts exceeds 10% of the trading contract or the cumulative loss of all contracts in one year exceeds USD 300,000, the position must be closed and stopped within two days of the trading time, and the project must be signed immediately.

(2).Non-risk hedging transactions: The company does not engage in derivative commodity transactions for non-risk hedging transactions.

Article 15: Risk management measures

1. Scope of Risk Management

(1) Credit risk: The transaction object is based on the principle of well-known financial institutions at home and abroad, and is limited to the commodities provided by them.

(2) Market price risk: The open foreign exchange market provided by financial institutions is the main one, and the futures market is not considered for the time being.

(3) Liquidity risk: When choosing financial products, it is mainly based on high liquidity, which can be closed in the market at any time. Financial institutions entrusted with transactions must have sufficient information and the ability to conduct transactions in any market at any time.

(4) Cash flow risk: In order to ensure the stability of working capital turnover, the source of funds for derivatives trading is limited to its own funds, and the operating amount should take into account the funding needs of the forecasted cash receipts and payments in the next six months.

(5) Operational risks: It is necessary to operate in accordance with the authorization



level, quota and transaction processing procedures to avoid operational risks.

(6) Legal risk: For contract documents signed with financial institutions, use international standard documents as much as possible to avoid legal risks.

2. The company's derivatives trading personnel and confirmation and delivery personnel shall not concurrently serve as each other.

3. Risk measurement, supervision and control personnel shall be in different departments from those in the preceding paragraph, and shall report to the board of directors or to senior executives who are not responsible for transaction or position decision-making.

4. The financial department shall evaluate the positions held by the derivatives exchange at least once a week, and submit it to the general manager for verification; however, if it is a risk-averse transaction for business needs, it shall evaluate at least twice a month, and send it to the financial supervisor for verification, and check whether the reversal transaction is made in advance. The financial department should pay attention to the changes in the market at any time, and should formulate necessary countermeasures and report to the general manager immediately when it finds that there is an abnormal situation in the market price or the loss amount of the held position reaches the standard that should be stopped.

Article 16: Internal audit

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 procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

Article 17: Regular evaluation method and abnormal situation handling

1. The board of directors shall regularly evaluate whether the performance of derivatives trading complies with the established business strategy and whether the risks borne are within the allowable range.

2. The general manager shall pay attention to the supervision and control of the risk of derivative commodity transactions at all times, regularly evaluate whether the risk management measures currently in use are appropriate and actually handle them in accordance with this handling procedure.

3. The general manager shall supervise the transaction and profit and loss situation, and if any abnormal situation is found, he shall take necessary countermeasures and report to the board of directors immediately. The board of directors shall have independent directors present and express their opinions.

4. If the company engages in derivative commodity transactions and authorizes relevant personnel to handle the transaction in accordance with the provisions of this handling procedure, it shall report to the most recent board of directors afterwards.

Article 18: Reference Book and Information Disclosure

1. A public 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 shall be recorded in detail in the log book.

2. A public 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.



Chapter 4 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

- Article 19: Assets acquired or disposed of pursuant to a legal merger, division, acquisition, or share transfer: refers to assets acquired or disposed of through merger, division, or acquisition pursuant to the Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other laws, or Those who issue new shares in accordance with the provisions of the Company Law and receive shares in other companies.
- Article 20: The acquisition or disposal of assets by the company in accordance with the law through merger, division, acquisition or share transfer, in addition to the application of this handling procedure, shall be handled in accordance with the "Guidelines for the Handling of Assets Acquired or Disposed by Public Companies" promulgated by the Financial Supervisory Commission.

Chapter 5 By-laws

- Article 21: For the calculation of 10 percent of total assets under these Regulations, 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.
In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.
- Article 22: When the contractors of the company violate the provisions of this handling procedure, they will be punished according to the relevant regulations of the company according to the seriousness of the circumstances.
- Article 23: If there are any unfinished matters in this procedure, it shall be handled in accordance with the relevant laws and regulations and the relevant regulations of the company.
- Article 24: If approval of one-half or more of all audit committee members as required in the preceding paragraph is obtained, A public company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, and then to a shareholders' meeting for approval; the same applies when the procedures are amended.
The procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, 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 25 : This processing procedure was established on April 10, 1988.
The first amendment was made on December 4, 1988.
The second amendment was made on June 18, 1992.
The third amendment was made on June 15, 1995.
The fourth amendment was made on June 15, 1996.
The fifth amendment was made on June 19, 1997.
The sixth amendment was made on June 18, 2013
The seventh amendment was made on June 19, 2014
The eighth amendment was made on June 22, 2017
The ninth amendment was made on June 15, 2018
The tenth amendment was made on June 14, 2019
The eleventh amendment was made on July 16, 2021
The twelfth amendment was made on June 21, 2022