

ANPEC ELECTRONICS CORPORATION

Management of Related Party Transactions

(Procedure No.: CM-10080)

I. Operating procedures:

1. The Company's definition of related parties shall be determined in accordance with the International Accounting Standards 24 "Related Party Disclosures" and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
2. The finance department shall establish a list of related parties and regularly evaluate if there are any additions or deletions.
3. The Company's transactions with related parties include purchases and sales of goods, asset transactions or long-term investments, loaning of funds, or endorsements or guarantees, among other transactions.
4. The processing of purchase or sale orders between the Company and its related parties and the management of accounts receivable and payable arising from the purchases and sales of goods shall be handled in accordance with the regulations of relevant internal control operations.
5. The price conditions and payment methods of transactions between the Company and related parties shall be clearly defined, and the purpose, pricing, conditions, content and process of a transaction, and relevant processing procedures shall not be significantly inconsistent with normal transactions or market prices with non-related parties or unreasonable.
6. As for the purchases and sales of goods between the Company and related parties due to business needs, if there are special reasons or excellent conditions that are different from those with general clients/suppliers, preferential prices or payment terms may be offered according to reasonable agreements. Otherwise, the pricing and payment terms shall be in line with those with general clients/suppliers.
7. A labor or technical service agreement between the Company and related parties shall be signed by both parties, agreeing on the service content, service fees, period, payment terms, after-sales service, etc., and shall be submitted to relevant managers for approval according to the approval hierarchy before taking effect. All terms of the agreement shall be in compliance with general business practices and relevant internal control regulations.
8. The Company's accountants shall mutually verify the purchases and sales and the balances of accounts receivable and payable in the prior month every month. In the case of any differences, they shall investigate the reasons and prepare a reconciliation statement.
9. Any asset transactions, derivatives trading, mergers, demergers, acquisitions, or share transfers between the Company and related parties shall be conducted in accordance with the

Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company's "Procedures for the Acquisition and Disposal of Assets".

10. Any endorsements/guarantees or loans taking place between the Company and related parties shall be handled in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the Company's "Procedures for Loaning of Funds and Making of Endorsements/Guarantees".
11. In the case of purchases and sales of goods, labor services, or technical services between the Company and related parties, when the estimated transaction amount for the entire year reaches 5% of the Company's consolidated total assets for the most recent period or the consolidated net operating income for the most recent year, except for transactions governed by the Regulations Governing the Acquisition and Disposal of Assets by Public Companies or those between the Company and subsidiaries of its or between its subsidiaries, the following information shall be submitted to the Audit Committee for approval and then submitted to the Board of Directors for approval before such transactions can be carried out:
 - (1) The items, purpose, necessity, and expected benefits of a transaction.
 - (2) The reason for selecting the related party as the transaction counterparty.
 - (3) Transaction pricing principles and the estimated upper limit of the annual transaction amount.
 - (4) An explanation of whether the transaction conditions are in alignment with normal terms of business without undermining the Company's interests and shareholders' rights.
 - (5) Transaction restrictions and other important agreements.

For a related party transaction as referred to in the preceding paragraph, the following information shall be reported to the Company's soonest shareholders' meeting after the end of the year:

- (1) Actual transaction amount and conditions.
 - (2) Whether the transaction is handled in accordance with the transaction pricing principles as approved by the Board of Directors.
 - (3) Whether the transaction does not exceed the upper limit of the annual transaction amount as approved by the Board of Directors. If the transaction amount exceeds the upper limit, the reasons, necessity, and reasonableness shall be stated.
12. When the Company acquires or disposes of an asset from or to a related party, and the transaction amount reaches the standard under Article 10 of the Company's "Procedures for the Acquisition or Disposal of Assets", the transaction shall be submitted to the Audit Committee for approval and then submitted to the Board of Directors for approval before the transaction can be carried out.

For transactions concerning the acquisition and disposal of assets with related parties in the

preceding paragraph, in addition to being submitted to the shareholders' meeting for approval in accordance with Article 10 of the Company's Procedures for the Acquisition or Disposal of Assets, the following information shall be reported to the Company's soonest shareholders' meeting after the end of the year:

- (1) Actual transaction amount and conditions.
 - (2) Information under each paragraph of Article 10 of the Company's "Procedures for the Acquisition or Disposal of Assets".
13. If the financial business or transactions between the Company and related parties require approval by resolution by the Board of Directors, each independent director's opinions shall be fully considered, and their clear opinions of approval or objection and the reasons for objection shall be included in the board meeting minutes.
 14. Directors who have personal interests involved in matters on the board meeting agenda, which may undermine the interests of the Company, shall recuse themselves from participating in the voting and shall not exercise their voting rights on behalf of other directors.
 15. If there is a significant transaction between the Company and a related party, relevant information shall be disclosed in the notes to the financial statements in accordance with the International Accounting Standards 24 "Related Party Disclosures" and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
 16. The Company shall comply with the requirements for matters that shall be announced or reported and the deadlines as stipulated in the law for transactions with related parties.

II. Key points of control:

1. Whether the list of the Company's related parties is correct;
2. Whether a transaction arising from business dealings between the Company and a related party is significantly inconsistent with normal transactions with non-related parties or unreasonable.
3. Whether the accountants mutually verify purchases and sales and the balances of accounts receivable and payable on a regularly basis;
4. Whether the contract signed between the Company and a related party has been approved by the responsible authority in accordance with the approval hierarchy;
5. Whether a significant transaction between the Company and a related party has been approved by the Board of Directors or has been reported to the Company's soonest shareholders' meeting after the end of the year in accordance with the paragraph 12 of the procedures; In addition, for the aforementioned significant transactions, each independent director's opinions shall be fully considered, and their clear opinions of approval or objection and the reasons for objection shall be included in the board meeting minutes;
6. Whether any asset transactions, derivatives trading, mergers, demergers, acquisitions, or

share transfers between the Company and related parties have been conducted in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets";

7. Whether any endorsements/guarantees or loans taking place between the Company and related parties have been handled in accordance with the Company's "Procedures for Loaning of Funds and Making of Endorsements/Guarantees";
8. Whether the relevant information on a significant transaction between the Company and a related party has been disclosed in the notes to the financial statements in accordance with the International Accounting Standards 24 "Related Party Disclosures" and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers";
9. Whether the transactions between the Company and related parties have been announced in accordance with regulations.

※References and forms adopted:

1. International Accounting Standards 24
2. Regulations Governing the Preparation of Financial Reports by Securities Issuers
3. Procedures for the acquisition or disposal of assets
4. Procedures for Loaning of Funds and Making of Endorsements/Guarantees
5. Securities and Exchange Act
6. Corporate Governance Best-Practice Principles