

Silicon Optronics, Inc.

Procedures for Handling Material Inside Information and Preventing Insider Trading

Article 1

In order to establish a sound mechanism for the handling and disclosure of material information, prevent the improper leakage and use of information, and thereby avert insider trading, this Procedure is specifically formulated to ensure the consistency and accuracy of the Company's material information and to maintain fairness in capital market transactions.

Article 2

The Company shall handle the processing and disclosure of material information, as well as the prevention of insider trading, in accordance with relevant laws, regulations, and the rules of the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX), in addition to complying with the provisions of this Procedure.

Article 3

This Procedure shall apply to the directors, managerial officers, and employees of the Company. Other individuals who, by virtue of their status, profession, or control relationship, become aware of the Company's internal material information shall be handled in accordance with the relevant laws and regulations prescribed by the competent authorities.

However, the Company shall still endeavor to ensure that such individuals comply with the relevant provisions of this Procedure.

Article 4

The term "material information" as referred to in this Procedure includes any significant information as defined under the Securities and Exchange Act, relevant laws, regulations, and the applicable rules of the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX).

It also encompasses any information that may have a material impact on the market price of the Company's shares, as well as any information formulated by the Company's dedicated unit responsible for handling material information in accordance with the aforementioned laws and regulations, and subsequently approved by the Board of Directors.

Article 5

The dedicated unit responsible for the handling of material information and the prevention of insider trading shall be the Material Information Handling Task Force, composed of an appropriate number of qualified members (as detailed in Appendix 1). The composition of the Task Force may be adjusted as necessary based on the Company's scale, business operations, and management needs, and shall be approved by the Board of Directors. Its duties are as follows:

1. To draft and revise the Procedures for Handling Material Inside Information and Preventing Insider Trading.
2. To handle inquiries, reviews, and provide recommendations related to the processing of material information, the prevention of insider trading, and matters related to this Procedure.
3. To receive reports concerning the leakage of material information or suspected insider trading, and to formulate corresponding response measures.
4. To establish a retention system for all documents, files, and electronic records related to this Procedure.

5. To perform any other duties related to this Procedure.

Article 6

The Company's directors, managerial officers, and employees shall perform their duties with the care of a good administrator and in accordance with the principles of honesty, integrity, and good faith, and shall sign a confidentiality agreement.

Any director, managerial officer, or employee who becomes aware of the Company's material information shall not disclose such information to any other person.

Directors, managerial officers, and employees of the Company shall not inquire about or collect any undisclosed material information of the Company from persons who possess such information, if such information is not related to their job duties.

They shall also not disclose any undisclosed internal material information of the Company that they have learned other than in the course of performing their duties.

Before the disclosure of the material information, or within the statutory period after such disclosure, the Company's directors, managerial officers, and employees shall not engage in the purchase or sale of the Company's listed stock or any other equity-type securities traded on the Taiwan Stock Exchange or at securities firms' business premises by using such information.

Article 7

When the Company's material information documents are transmitted in written form, they shall be properly protected.

When transmitted via email or other electronic means, they shall be handled using appropriate encryption, electronic signatures, or other security technologies.

All files and documents containing the Company's material information shall be backed up and stored securely in a safe location.

Article 8

The Company shall ensure the establishment of the information firewall as prescribed in the preceding two articles and shall adopt the following measures:

1. Implement appropriate firewall control measures and conduct regular testing.
2. Strengthen the storage management and confidentiality measures for the Company's undisclosed material information files and documents.

Article 9

External institutions or personnel participating in the Company's mergers and acquisitions, significant memoranda, strategic alliances, other business cooperation projects, or the execution of important contracts shall sign a confidentiality agreement.

They shall not disclose any of the Company's material information obtained during such participation to others, nor shall they use such information to engage in insider trading.

Article 10

The Company's external disclosure of information shall be conducted in accordance with the Securities and Exchange Act, relevant laws and regulations, and the information reporting rules of the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX), and shall adhere to the following principles:

1. Information disclosure shall be accurate, complete, and timely.
2. Information disclosure shall be based on factual evidence.

3. Information shall be disclosed fairly.

Article 11

Unless otherwise provided by laws or regulations, the disclosure of the Company's material information shall be handled by the Company's spokesperson or acting spokesperson, and the order of delegation shall be clearly defined.

When necessary, the Company's responsible person may directly handle such disclosure.

The statements made by the Company's spokesperson and acting spokesperson shall be limited to the scope of authorization granted by the Company.

Except for the Company's responsible person, spokesperson, and acting spokesperson, no other employee shall disclose any material information to the public without proper authorization.

Article 12

The Company's Stock Affairs Department shall serve as the dedicated unit for handling material information, responsible for the evaluation, review, approval, and disclosure of such information.

Except in cases of emergency or non-business hours, where submission and approval may be conducted electronically, the "Application for Material Information Disclosure" and the "Material Information Evaluation Checklist" shall be prepared in written form, submitted for approval to the General Manager, and properly recorded.

If the evaluation or approval is conducted electronically, the relevant written documents shall be filed afterward.

The above-mentioned evaluation records, approval documents, and related materials shall be retained for at least five years.

The Company shall retain the following records for every disclosure of material information:

1. The evaluation content.
2. The signatures or seals, dates, and times of the personnel responsible for evaluation, review, and approval.
3. The content of the disclosed material information and the corresponding legal basis.
4. Any other relevant information.

Article 13

If the content of media reports is inconsistent with the information disclosed by the Company, and the Company is required by law or regulations of the competent authorities to provide an explanation on the Market Observation Post System (MOPS), the Company shall take appropriate actions in accordance with applicable laws and regulations.

Article 14

If any director, managerial officer, or employee of the Company becomes aware of any leakage of material information or insider trading, they shall promptly report the matter to the dedicated unit and the internal audit department.

Upon receiving the aforementioned report, the dedicated unit shall formulate appropriate response measures and, when necessary, may convene meetings with the internal audit or other relevant departments to discuss and determine the handling approach.

The results of such handling shall be documented and retained for future reference, and the internal audit department shall also conduct verification and inspection in accordance with its duties.

Article 15

Under any of the following circumstances, the Company shall hold the relevant personnel accountable and take appropriate legal actions:

1. Any Company personnel who discloses material information without authorization or violates this Procedure or other applicable laws and regulations.
2. The Company's spokesperson or acting spokesperson makes external statements beyond the scope of authorization or in violation of this Procedure or other laws and regulations.
3. Any director, managerial officer, or employee who, before the disclosure or within the statutory period after the disclosure of material information, uses such information to buy or sell the Company's listed shares or other equity-type securities traded on the stock exchange or at securities firms' business premises.

If any external party discloses the Company's material information or engages in insider trading, thereby causing damage to the Company's property or interests, the Company shall pursue its legal liability through appropriate channels.

Article 16

This Procedure shall be incorporated into the Company's internal control system. The internal audit personnel shall periodically assess the level of compliance and prepare an audit report to ensure the effective implementation of this Procedure.

Article 17

The Company shall conduct at least one educational training session per year for its directors, managerial officers, and employees on this Procedure and the relevant laws and regulations. Newly appointed directors, managerial officers, and employees shall also receive such training in a timely manner.

Article 18

To protect shareholders' rights and interests and ensure the equal treatment of all shareholders, the Company's directors are prohibited from trading the Company's issued securities during the blackout period, which is defined as 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report.

Article 19

This Procedure shall be implemented after approval by the Board of Directors, and the same shall apply to any amendments hereto.

Material Information Handling Task Force

