

Darfon Electronics Corp.

The Procedure for Applying for the Suspension and Resumption of Trading Operations

- Article 1 In accordance with Paragraph 1 of Article 13-4 of Taiwan Stock Exchange Corporation (hereinafter referred to as "TWSE") Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities (hereinafter referred to as the "procedures"), this operation procedure is specifically formulated for compliance purposes.
- Article 2 In order to practice the confidentiality and immediate disclosure mechanism of major information, the company shall proactively apply for the suspension of trading with TWSE when it discloses or convenes a meeting of the board of directors to resolve specific major matters before 5:00 PM on business days. This is done to allow sufficient time for the widespread public dissemination of the major information following its occurrence or announcement, providing investors with time to digest the information, and reducing information asymmetry. After the relevant information has been adequately disclosed or explained, the company will apply for the resumption of trading.
- Article 3 The procedure for applying for the suspension and resumption of trading operations by the company should be conducted in accordance with the relevant regulations of TWSE and this operational procedure.
- Article 4 The company designates the financial unit as the responsible unit for handling the suspension and resumption of transactions (hereinafter referred to as the "responsible unit").  
The responsible unit should pay attention to whether the company falls under the circumstances specified in Article 5 that require proactive application for the suspension or resumption of trading at any time. If the company meets any of the aforementioned circumstances, the responsible unit should proactively apply for the suspension or resumption and maintain a two-way communication channel with the colleagues from TWSE to ensure smooth operation.
- Article 5 The company expects to publicly announce or convene a board meeting to address the circumstances specified in Paragraph 1 of Article 13-1 of the processing procedure before 5:00 PM on business days shall proactively apply to TWSE for a trading suspension on the preceding business day.  
When the company finds that mass media reports or other information

have a significant impact on its shareholders' rights or securities prices, it shall explain the major information in accordance with the procedures; if it cannot be explained on the day of discovery, the company shall proactively apply for a trading suspension to TWSE. If the company's securities have been suspended from trading by TWSE and have already provided a complete explanation of the reasons for the trading suspension or no longer see the need for continued suspension, the company should proactively apply for the resumption of trading to TWSE.

Article 6 Before the company prepares the proposal of board meeting or announces important information, the responsible unit should pay attention to whether there is any event that should be applied for suspension of trading in the preceding article. If such circumstance arises and is deemed significant after a proper evaluation, the responsible unit should submit relevant supporting documents, fill in the "Application for Suspension of Trading", and affix the seal of the company and the person in charge after approved by the General Manager. The application should be faxed to TWSE to apply for suspension of trading and at the same time an email and phone notification should be sent to TWSE, providing the contact person's name and phone number from the company.

In the event of an "urgent matter" preventing the application from being submitted on the preceding business days before the public announcement or board meeting, the company may submit the application to TWSE before 7:30 AM on the same business days of announcement or meeting and provide supporting documents that meets the urgency matter for verification by TWSE.

If the responsible unit discovers a mass media report or other information that has a significant impact on its shareholders' rights or securities prices and cannot explain on the day of the discovery, it shall immediately apply for a trading suspension to TWSE in accordance with the provisions of Paragraph 1.

Article 7 After conducting the information disclosure process in accordance with the resolutions of the board of directors or based on the facts and procedure, the company should attach relevant supporting documents, complete the "Application for Resumption of Transactions", and affix the seal of the company and the person in charge after approved by the General Manager. The application should be faxed to TWSE to apply

for the resumption of trading and at the same time an email and phone notification should be sent to TWSE, providing the contact person's name and phone number from the company.

Article 8 Before the company applies for the suspension of trading and the relevant information of the case is made public, the directors, managers, and employees of the company who have access to important internal information shall abide by the "Internal Material Information Handling and Insider Trading Prevention Operational Procedure" and other relevant regulations established by the company and follow confidentiality mechanism. The following principles should be upheld when disclosing material information externally:

1. The disclosure of information shall be accurate, complete and timely.
2. There should be a basis for the disclosure of information.
3. Information should be disclosed fairly.

Article 9 After TWSE announces the suspension or resumption of trading information on the Market Information System (<http://mis.twse.com.tw/>), the company shall release the major information on the suspension or resumption of trading within one hour.

Article 10 This operational procedure is implemented after being approved by the board of directors and shall also be subject to amendment in the same manner.

Article 11 This procedure was established on November 9th, 2015.