

Chung Hwa Pulp Corporation

Procedures of Stock Trading Halt and Resumption Application

Article 1 (Basis of establishment)

The Procedures are established in accordance with Article 13-4, Paragraph 1 of the Taiwan Stock Exchange Corporation (TWSE) Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities (hereinafter referred to as the TWSE Procedures).

Article 2 (Purpose of the Procedures)

To implement confidentiality and immediate disclosure mechanisms for material information, the Company shall actively apply to TWSE for halt trading and provide investors with time to digest information when making material announcements or convene a meeting of the Board of Directors for a resolution before 5 p.m. on a business day. This measure shall ensure that there is sufficient time for the material information from the occurrence of an event or announcement to be publicized and reduce information asymmetry. The Company shall also apply for the resumption of trading after related information is fully publicized or explained.

Articles 3 (Legal compliance)

The Company's applications for halting and resuming trading shall be processed in accordance with related TWSE regulations and the Procedures.

Articles 4 (Unit responsible for processing stock trading halt and resumption)

The Company designates the Finance and Accounting Department as the unit responsible for processing stock trading halt and resumption (hereinafter referred to as the designated unit).

The designated unit shall pay attention at all times to whether the Company is involved in conditions which require active applications for halting or resuming trading as specified in Article 5. If the Company is involved in the aforementioned affairs, it shall actively apply for halt or resumption and maintain communication channels with TWSE employees to facilitate smooth operations.

Article 5 (Stock trading halt and resumption applications)

Where the Company plans to make material disclosures or convene a meeting of the Board of Directors for a resolution before 5 p.m. on a business day for affairs specified in Article 13-1, Paragraph of the TWSE Procedures, it shall actively apply to TWSE to halt trading on the business day prior to the publication or the meeting.

Where the Company discovers media coverage or other information that may cause material impact on the interests of shareholders or stock prices, it shall prepare an explanation of material information in accordance with the TWSE Procedures. If the Company cannot provide an explanation on the date of discovery, it shall actively apply to TWSE to halt trading.

Where trading of the Company's securities is halted by TWSE, the Company shall actively apply to TWSE for resumption of trading after it has comprehensively explained related information for the halt or where the halt is no longer necessary.

Article 6 (Ultimate decision level for stock trading halt applications)

Before the Company prepares a board meeting or publish material information, the designated unit shall pay attention to whether there are items that require a halt in trading as specified in the Article above. where items in the Article above are present and determined as material, it shall prepare related certification documents along with the filled out “Halt Trading Application Form”, obtain the approval of the Chairman, affix the seals of the Company and person in charge, and fax them to TWSE to apply for a halt in trading on the business day before the disclosure or a board of directors meeting to adopt resolutions. It shall also submit the information via email to TWSE and provide TWSE with the name and telephone number of the contact person of the Company via email or telephone.

Where the Company cannot file an application on the business day prior to the disclosure or convene a board of directors meeting to adopt resolutions in the event of an emergency preventing timely application, it may submit the application to TWSE before 7:00 a.m. on the business day of the public disclosure or meeting and provide certifying documents to prove the nature of the emergency for verification by TWSE.

Where the designated unit discovers media coverage or other information that may cause material impact on the interests of shareholders or stock prices and it cannot provide an explanation on the date of discovery, it shall actively apply to TWSE to halt trading in accordance with provisions in Paragraph 1.

Article 7 (Ultimate decision level for stock trading resumption applications)

The Company shall prepare related certification documents based on the results of the resolutions of the Board of Directors or the factual conditions for the information disclosure. It shall fill out the “Resume Trading Application Form”, obtain the approval of the Chairman, affix the seals of the Company and person in charge, and fax them to TWSE to apply for resuming trading. It shall also submit the information via email to TWSE and provide TWSE with the name and telephone number of the contact person of the Company via email or telephone.

Article 8 (Reporting and information disclosure)

Before the Company applies for a halt of trading and disclosing related information, the Directors, Supervisors, managerial officers, employees, and other individuals who are aware of the material internal information shall abide by the “Internal Material Information Processing Procedures” and related regulations and implement confidentiality mechanisms. In addition, the disclosure of material information shall be processed based on the following principles:

1. The information disclosure shall be accurate, complete and prompt.
2. The information disclosure shall be based on facts.
3. The information shall be fairly disclosed.

Article 9 (Timing of reporting and information disclosure)

After TWSE announces the halt or resumption of trading on the Market Information System (<http://mis.twse.com.tw/>), the Company shall disclose the material information for the halt or resumption of trading within one hour.

Article 10 (Passage and amendment by resolution of the meeting of the Board of Directors)

These Procedures shall be implemented after approval by the Board of Directors. The same shall apply to all amendments.