

NOVA TECHNOLOGY CORPORATION

Operating Procedures For Handling Material Inside Information And Preventing Insider Trading

Article 1 Purpose

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 Legal compliance

The Company shall implement its handling, disclosure and prevention of material inside information in accordance with applicable laws and regulations, the rules and regulations of the GreTai Securities Market, and these Procedures.

Article 3 Definition

1. Pursuant to the Securities and Exchange Act, insiders of the Company shall be applied to the following persons:
 - (a) The directors, managerial officers, or employee of the Company, and any spouse, minor child, or nominee holder thereof.
 - (b) Representative of juristic person director and their spouse, minor child, or nominee holder thereof.
2. Scope of application:

The Company shall have any other person who acquires knowledge of the Company's internal material information due to that person's occupation, or controlling relationship be bound by and observe the applicable provisions of this Procedure.

Article 4 Responsible unit in charge of the handling of material inside information

The Company shall establish the Financial Department and General Manager Office in charge of handling material inside information. Such a special task force shall have the following functions and authorities:

1. Responsibility for formulating the drafts of these Procedures and any amendments to them.
2. Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
3. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.

4. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
5. Other activities related to these Procedures.

Article 5 Operating Procedures

1. Pursuant to Article 157-1 first paragraph of the Securities and Exchange Act, the prevention of insider trading shall be applied to the following persons:
 - (a) The director, managerial officer of the company, and a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act. (Where a government agency or a juristic person acts as a shareholder of a company, it may be elected as a director of the company provided that it shall designate a natural person as its proxy to exercise, in its behalf, the duties of a shareholder.)
 - (b) The shareholders holding more than ten percent of the shares of the company.
 - (c) Any person who has learned the information by reason of occupational or controlling relationship.
 - (d) The person who, though no longer among those listed in (one of) the preceding three subparagraphs, has only lost such status within the last six months.
 - (e) The person who has learned the information from any of the persons named in the preceding four subparagraphs.

In accordance with the provisions of Article 22-2 of the Securities Exchange Act, the directors, managerial officer of the Company or a shareholder holding more than 10 percent of the total issued shares of the Company, their holding shares shall include their spouse, minor child, or nominee holder thereof.

2. Insider Trading

Pursuant to Article 157-1 Paragraphs 1,2 of the Securities and Exchange Act, the prevention of insider trading shall be applied to the following article:

- (a) Upon actually knowing of any information that will have material impact on the price of the securities of the Company, after its public disclosure of such information or within 18 hours after its public disclosure, the abovementioned persons shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type securities of the Company.
- (b) Upon actually knowing of any information that will have a material impact on the ability of the issuing company to pay principal or interest, after the

information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the person listed in the preceding paragraph shall not sell, in the person's own name or in the name of another, the non-equity-type corporation bonds of such company that are listed on an exchange or an over-the-counter market.

3. According to Article 157-1, Paragraphs 5,6 of the Securities Exchange Act, the scope of news that significantly affects the company's stock price and ability to pay principal and interest includes:
 - (a) Information concerning the financial and business of the Company, which has a significant impact on the company's stock price, or has a significant impact on the investment decisions of legitimate investors.
 - (b) The market supply and demand and public acquisition involving the securities have a significant impact on the company's stock price or have a significant impact on the investment decisions of legitimate investors.
 - (c) Those who have a significant impact on the ability of the Company to pay the principal and interest.
4. According to Article 157-1, Paragraphs 5,6 of the Securities Exchange Act, the scope of news that significantly affects the company's stock price and ability to pay principal and interest includes:
 - (a) Any material impact on the ability of the Company to pay principal or interest relating to the finance or business of the Company will be announced on Market Observation Post System.
 - (b) Any impact information about the supply and demand on the market will be announced such information into the Market Observation Post System, the Taiwan Stock Exchange Corporation or the GreTai Securities Market public announces the information on the Market Information System website. Also coverage of the information by two or more daily national newspapers on non-local news pages, national television news, or electronic newspapers issued by any the aforesaid media.
5. Procedures for Handling Material Inside Information
 - (a) (Scope of material inside information)

For the purposes of these Procedures, the term "material inside information" refers to information that, with reference to the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, is defined as material inside information by the responsible unit in charge of handling of such information.

(b) (Confidentiality firewall operations - Personnel)

The Company's directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties.

No director, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others. No director, managerial officer, or employee of the Company may inquire about or collect any non-public material inside information of the Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties.

(c) (Confidentiality firewall operations - Documents and information)

Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures.

Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location.

(d) (Operation of confidentiality firewalls)

The Company shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

- (1). Adopt adequate control measures for the firewalls and perform periodic testing.
- (2). Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of the Company.

(e) (Confidentiality obligations of outside organizations and persons)

Any organization or person outside of the Company that is involved in any corporate action of the Company relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of the Company's thus acquired.

(f) (Principles of disclosure of material inside information)

The Company shall comply with the following principles when making external disclosures of material inside information:

- (1). The information disclosed shall be accurate, complete, and timely.
 - (2). There shall be a well-founded basis for the information disclosure.
 - (3). The information shall be disclosed fairly.
- (g) (Implementation of the spokesperson system)
- Any disclosure of the Company's material inside information, except as otherwise provided by law or regulation, shall be made by the Company's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of the Company.
- The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company's responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of the Company to outside parties without authorization.
- (h) (Record of disclosure of material inside information)
- The Company shall keep records of the following in respect of any disclosure of information to outside parties:
- (1). The person who discloses the information, the date, and the time.
 - (2). How the information is disclosed.
 - (3). What information is disclosed.
 - (4). What written material is delivered.
 - (5). Any other relevant details.
- (i) (Response to false media coverage)
- If a media agency releases information that is in any respect inconsistent with material information disclosed by the Company, the Company shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.
- (j) (Immediate Information System of Insiders' New Appointment or Dismissal)
- "Immediate Information System of Insiders' New Appointment or Dismissal" record shall be filed and processed by the Company upon any new appointment or dismissal of directors, managerial officers, and greater than 10 percent shareholders (hereinafter "insiders") of the Company within 2 days after occurrence of the fact.
- In order to confirm the insiders' awareness on relevant regulations, the directors shall sign and submit the relevant declarations to the Company within 5 days after the new appointment date. The Company shall keep the declarations for auditing and file the copies of the declaration within 10

days after the new appointment date to the GTSM.

In order to confirm the insiders' awareness on relevant regulations, the managerial officers shall sign and submit the relevant declarations to the Company within 5 days after the new appointment date. The Company shall keep the declarations for auditing and file the copies of the declaration.

(k) (Reporting of unusual events)

Any director, managerial officer, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the responsible unit and the internal audit department of the Company as soon as practicable. Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

(l) (Disciplinary measures)

The Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

- (1). Personnel of the Company disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation.
- (2). A spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company, or otherwise violates these Procedures or any other applicable law or regulation.
- (3). If any person outside the Company divulges any material inside information of the Company, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Article 6 Internal controls

These Procedures shall be incorporated into this Corporation's internal control system, so as to ensure full implementation of the procedures for handling material inside information.

Article 7 Awareness campaigns

At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, a shareholder holding more than 10 percent of the total issued shares of the Company, or employees with respect to these Procedures and related laws and regulations.

The Company shall also provide educational campaigns to new directors, managerial officers, or employees in a timely manner.

Article 8 Establishment of Insider profile

The company shall establish and maintain data of insiders and report to the competent authorities in accordance with the prescribed time limit and method.

Article 9 These Procedures, and any amendments hereto, shall be implemented upon approval by the board of directors.