

**凌巨科技股份有限公司**  
**GIANTPLUS TECHNOLOGY CO., LTD.**

**Procedures for Capital Lending to Others**

**Article 1**

Entities to which the Company may loan funds.

1. For business transactions
2. For short-term financing

When funds can be loaned to the company, they must be handled in accordance with this operating procedure.

**Article 2 (Reasons for loaning funds to others)**

If the Company engages in fund lending due to business relationships with an inter-company or inter-firm business, it shall be subject to the provisions of Article 3, Paragraph 2 only.

Those engaged in fund lending necessary for short-term financing are limited to those companies in which the company directly or indirectly holds more than 50% of the shares have short-term financing needs.

**Article 3 (The total amount of capital loan and the limit of individual objects)**

An inter-company or inter-firm business with which the Company has business dealings, the total amount of fund loans shall not exceed 10% of the company's net worth. The individual loan amount shall not exceed the amount of business transactions between the two parties in the most recent year, and based on risk considerations, the loan amount shall not exceed 10% of the loanee's net worth and 5% of the Company's net worth. The "business transaction amount" refers to the business income and labor income or the purchase amount and labor expenditure of the two parties due to regular business activities to sell goods or provide labor services, whichever is higher.

An inter-company or inter-firm business that need short-term financing, the total amount of fund loans shall not exceed 40% of the Company's net worth, and the amount of individual loans shall not exceed 30% of the Company's net worth.

Where an inter-company financing facility is necessary between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, and the restriction of one year or one operating cycle shall not apply; however, the aggregate amount of loans and the maximum amount permitted to a single borrower, and the durations of loans shall still be specified.

**Article 4 (Loan period)**

The loan period of funds should not exceed one year, and the loan should be renewed if it is due to be renewed.

**Article 5 (Interest calculation)**

Fund loans and interest rates shall be determined by both parties with reference to the

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prevailing market interest rate agreement, but shall not be lower than the current maximum interest rate of the Company's short-term borrowings from financial institutions, and shall be based on the principle of interest repayment at maturity, and the calculation method shall be handled in accordance with the bank. In case of special circumstances, it can be adjusted according to the actual situation after the approval of the board of directors.

**Article 6 (Handle fund loan application and review and approval)**

1. The borrower shall provide basic information and financial information and fill in the application form, describing the use of funds, loan period and amount, and then send it to the handling unit of the Company. The handling unit shall check the information provided by the borrower in detail and check the credit, evaluate the necessity and rationality of the fund loan and its impact on the Company's operating risks, financial status and shareholders' equity, and then sign and report to the general manager and chairman of the board. Approval, and then submit the resolution of the board of directors.

2. The fund loan between the Company and the parent company or subsidiary shall be resolved by the board of directors in accordance with the provisions of the preceding paragraph, and the chairman of the board shall be authorized to approve the same loan subject to a certain amount determined by the board of directors and within a period of no more than one year or cyclically use.

The said certain amount shall except for those that meet the requirements of Article 3, Paragraph 4. The company's or subsidiary's capital loan and authorization limit to a single enterprise shall not exceed 10% of the fund loan and the company's most recent net value of financial statements

3. The Company shall establish a reference book for fund loans and matters, which shall be published for reference in detail regarding the target, amount, date of approval by the board of directors, date of fund lending, and items to be assessed.

The Company's internal auditors shall at least quarterly audit the operating procedures and implementation of fund loans to others, and make written records. If major violations are found, they shall immediately notify the audit committee in writing.

4. The Finance Department shall periodically assess the capital loan and situation and provide adequate allowances for bad debts, disclose relevant information in the financial report, and provide the accountant with relevant information so that the accountant can implement the necessary verification procedures and issue a proper verification report.

5. Due to changes in circumstances, the Company shall make an improvement plan when the loan does not comply with the provisions of this operation method or the balance exceeds the limit, and the related improvement plan shall be sent to the audit committee, and the improvement shall be completed according to the planned

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schedule.

6. Any formulation or revision of the Operational Procedures for Loaning Funds to Others shall be agreed by one-half or more of the entire audit committee and be submitted to the board of directors for a resolution.
7. If a matter set out in the previous paragraph has not been consented to by one-half or more of the entire audit committee, it may be adopted with the consent of two-thirds or more of the entire board of directors. The resolution of audit committee shall be included in the board meeting minutes.
8. The term "entire audit committee" and "entire board of directors" referred to in the preceding two paragraphs shall be calculated by the number of members actually in office.

The "subsidiaries and parent companies" mentioned in these Measures shall be recognized in accordance with the provisions of the securities issuer's financial report preparation standards.

The Company's financial report is prepared in accordance with the International Financial Reporting Standards. The term "net value" as used in these Measures refers to the equity attributable to the owners of the parent company in the balance sheet of the securities issuer's financial report preparation standards.

**Article 7 (Contract guarantee and insurance)**

The borrower shall provide the same amount of collateral or guarantee notes or guarantor except for the Company's 100% reinvested subsidiary. The collateral shall also go through the pledge or mortgage setting and contract procedures. Except for land and marketable securities, it shall be insured against fire.

**Article 8 (Appropriation)**

The loan case has been approved and the borrower has signed the contract and deposited (or repaid in installments) promissory notes to complete the guarantee quality (mortgage) setting registration, and all the procedures can be approved after verification.

**Article 9 (Repayment)**

After the loan is allocated, attention should be paid to the financial, business, and credit status of the borrower and the guarantor. If there is any provision of collateral, it should pay attention to whether there is any change in the value of the guarantee, and the borrower should be notified two months before the loan is due to settle the principal and interest by the due date. If the repayment is not due and needs to be extended, a request must be made in advance and approved by the board of directors. Also, In the event of overdue claims that cannot be recovered after dunning, recourse shall be taken against the debtor through legal channels to ensure the company's rights and interests.

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When the borrower is due to repay the loan, it shall first calculate the interest payable and pay off the principal before it can cancel the promissory note, IOU and other credit documents and return it to the borrower.

If the borrower applies for the cancellation of the mortgage, it should first check whether there is a balance of the loan to decide whether to agree to the cancellation of the mortgage.

Those who are required to report to the competent authority in accordance with regulations shall be handled in accordance with their regulations.

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**Article 10 (Registration and control)**

After appropriating the loan for the case handled by the loan case handler, the deed, promissory note and other creditor's rights certificates, as well as the collateral documents, insurance policies, and correspondence documents, should be sorted in order and then placed in the storage folder and stored in it. After the content and the name of the customer are indicated on the above, the supervisor shall be asked to verify that it is correct, and it will be kept in the register after registration.

**Article 11 (Announcement)**

The Company shall announce before the tenth of each month to declare the capital loan and balance of the Company and its subsidiaries in the previous month.

The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the borrower and monetary amount, whichever date is earlier.

1. The balance of funds loaned to others by the Company and its subsidiaries reaches more than 20% of the Company's net value in the most recent financial statements.
2. The Company's and its subsidiaries' fund loans to a single enterprise have a balance of more than 10% of the Company's net value in the most recent financial statements.
3. The Company or its subsidiary's newly-increased capital loans amount to more than NT\$10 million and more than 2% of the Company's latest financial statement net value.

If the subsidiary is not a domestic public offering company, the subsidiary has matters that should be announced and declared in the third paragraph of the preceding paragraph, and the company shall do it.

**Article 12**

Where a subsidiary of the Company intends to lend funds to others, the Company shall order the subsidiary to formulate operating procedures for lending funds to others in accordance with the regulations of the competent authority, and shall proceed in

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accordance with the established operating procedures. If the subsidiary is established overseas, it should also be handled in accordance with the laws and regulations of the local government.

**Article 13**

When the company's managers and sponsors violate this procedure or the fund loan and handling guidelines set by the competent authority, they are aware of the punishment in accordance with the company's "Employee Management Measures".

**Article 14**

This procedures shall be approved by the audit committee and then approved by the board of directors, and shall be submitted to the shareholders meeting for approval, and the same shall apply when amended.

**Article 15**

1. These Procedures were enacted on May 28, 1999.
2. The 1st Amendment was made on April 3, 2003.
3. The 2nd Amendment was made on June 17, 2004.
4. The 3rd Amendment was made on June 19, 2009.
5. The 4th Amendment was made on June 17, 2010.
6. The 5th Amendment was made on June 5, 2012.
7. The 6th Amendment was made on June 24, 2013.
8. The 7th Amendment was made on May 29, 2014.
9. The 8th Amendment was made on June 26, 2019.