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

Procedures for Financial Derivatives Transactions

Article 1 (Permitted purpose)
In order to effectively manage the Company's expenditure, assets and liabilities, reduce the risks caused by changes in foreign exchange and interest rates, and increase the competitiveness of the company, this processing procedure is specially formulated as a basis to manage the company's various derivative financial product transactions.

Article 2 (Formulation)
The procedure is based on the "Procedures for Acquisition or Disposal of Assets" stipulated by the Financial Regulatory Commission and the actual needs of the company in managing financial and financial risks.

Article 3 (Trading principles and policies)

1. Type of transaction Derivative Products means any trading contracts with worth derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long term leasing contracts, or long-term purchase (sales) contracts.
2. Engaging in derivative commodity transactions should aim at ensuring the company’s operating profits and avoiding risks caused by fluctuations in interest rates, exchange rates or asset prices. The operating currency is limited to foreign currency receipts and payments arising from the company’s business relationship. The positions held or scheduled to be held within one year shall be subject to relative hedging operations.
3. Financing: The personnel of the financial unit that can conduct derivative commodity transactions must be designated by the financial director. The transaction personnel are responsible for the collection of derivative commodity-related information and laws, the design of hedging strategies and risk disclosure, and conduct transactions in accordance with the instructions and authorized positions of the competent director.
   The confirmation of the transaction is made by the financial unit who is not responsible for the transaction, who is responsible for confirming the correctness of the transaction with the correspondent bank and printing it back on the transaction confirmation letter.
   The delivery personnel shall be handled by the financial unit who is not responsible for the transaction or confirmation, in order to facilitate internal control.
   Accounting: Perform accounting processing and prepare financial statements in accordance with relevant regulations and generally accepted accounting principles.
4. The Company engages in derivatives transactions to hedge against risks from operations.
   The loss on individual or all contracts shall not exceed 10% of the contract value; if the loss exceeds the limit, the contract shall be terminated immediately and reported to the chairman of the board of directors.

Forward exchange contract is used to hedge against exchange rate. The loss on such contracts shall not exceed 20% of the contract value, and is not subject to the 10% contract value limit prescribed in the preceding paragraph.

5. The total amount of the company's overall hedging contract shall not exceed the net position of accounts receivable and payable or balance of assets and liabilities generated by the company in the next six months due to business.

Article 4 (Procedures)

1. Authorization amount and level: Every derivative commodity transaction of the company needs to be approved by the chairman of the board, and shall be reported to the latest board of directors afterwards.
2. Executive unit: Authorize the Finance Department to execute.
3. Procedures descriptions:
   A. Related trend analysis and judgment.
   B. Decide and confirm the specific operation method for hedging.
   C. Obtain approval of the transaction.
   D. Executing the transaction
      (1) Transaction objects: limited to domestic and foreign financial institutions approved by the government and dealing with the company.
      (2) Transaction personnel: The personnel of the company who can execute derivative commodity transactions should be designated by the general manager and then formally confirmed with the company's financial institutions. Persons other than the above-mentioned personnel are not allowed to engage in transactions. For the loss or acquisition of the qualification of trading personnel, the financial department shall notify the effective date of the change to the current financial institution from the day before the loss or acquisition, so as to protect the company's rights and interests.
   E. Transaction confirmation: After the transaction, the transaction personnel should fill in the transaction receipt, and the authority responsible officer should confirm whether the transaction conditions are consistent with the transaction receipt, and send it to the financial supervisor for approval.
   F. Delivery: After the transaction is confirmed to be correct, the price and related documents should be prepared on the delivery date, and the transaction should be delivered at the agreed price.
   G. Reference book: The types and amounts of derivative commodity transactions, the date of approval by the board of directors, and the items that should be assessed in this procedure are detailed in the reference book for future reference.

Article 5 (Announcement)

The company shall report on a monthly basis the company and its subsidiaries that are not domestic public offering companies engaged in derivative commodity transactions as of the end of last month, in accordance with relevant laws and regulations. Relevant regulations apply.

Article 6 (Accounting treatment)

Accounting department should follow the Commercial Accounting Law, Generally Accepted Accounting Principles, Financial Accounting Standards Bulletin, and relevant regulations of the competent authority. If there are no relevant regulations, it will be posted in accordance with accounting conventions, and the realized and unrealized accounts shall be calculated its profit-and-loss on a monthly basis.

Article 7 (Internal control)

1. Risk management:
   (1) Credit risk: The object of the transaction is limited to the financial institutions with which the company contacts, and those who can provide professional information. If the Company acts as a guarantee to a foreign company, the letter of guarantee issued by the Company should be signed by a person authorized by the board of directors.
   (2) Market risk: Limited to hedging tools approved by the government through the open market between financial institutions and the government.
   (3) Liquidity risk: Before the transaction, it should be confirmed that the transaction amount will not cause insufficient liquidity, and that the delivery obligation can be fulfilled.
   (4) Cash flow: The company should maintain sufficient liquid assets and financing lines to meet the demand for delivery funds.
   (5) Operational risk: It is necessary to strictly comply with the authorized quota and related operating procedures.
   (6) Legal Risk: The documents signed by the company and the counterparty must be reviewed by the company's legal affairs before they can be formally signed to avoid legal risks.
2. Internal control
   (1) Transaction personnel, confirmation, delivery and other operations personnel shall not concurrently serve each other.
   (2) The risk measurement, supervision and control personnel shall belong to different departments from the personnel mentioned in the preceding paragraph.
   (3) The trader should deliver the transaction voucher or contract to the responsible supervisor for verification.
   (4) The confirmation personnel should regularly reconcile with the correspondent bank or confirm by letter.
   (5) The confirmation personnel should check whether the total amount of the second transaction has exceeded the net position of foreign currency assets, liabilities and commitments every month.
   (6) At the end of each month, the trading staff will evaluate the profit and loss based on the closing exchange rate of the day and prepare a statement, which will be provided to the financial supervisor, general manager and chairman of the board.
3. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per

month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

Article 8 (Internal audit)
Internal auditors should regularly understand the adequacy of the internal control of derivative commodity transactions, check the compliance of the transaction department with this procedure on a monthly basis, and prepare an audit report. If a major violation is found, the audit committee should be notified in writing.

Article 9 (Supervision and management)
When engaging in derivative commodity transactions, the board of directors shall indeed supervise and manage in accordance with the following principles:

1. Designated senior executives should always pay attention to the supervision and control of derivative commodity transaction risks.
2. Regularly assess whether the performance of engaging in derivative commodity transactions conforms to the established business strategy and whether the risks assumed are within the scope of the company's tolerance.

Senior executives authorized by the board of directors shall manage derivative commodity transactions in accordance with the following principles:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
2. Supervise the transaction and profit-and-loss situation, and if any abnormal situation is found, it shall take necessary response measures and report to the board of directors immediately. Where independent directors have been established, the board of directors shall have independent directors present and express their opinions.

Article 10 (Penalty)
When the company’s managers and sponsors violate this procedure or the guidelines for the acquisition or disposal of assets set by the competent authority, they are aware of the relevant penalties in the company’s “Employee Management Measures”.

Article 11 (Implementation and revision)
The 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 12
1. These Procedures were enacted on May 28, 1999.
2. The 1st Amendment was made on June 17, 2003.
3. The 2nd Amendment was made on June 3, 2004.
4. The 3rd Amendment was made on May 29, 2014.
5. The 4th Amendment was made on June 14, 2017.
6. The 5th Amendment was made on June 26, 2019.

7. The 6th Amendment was made on June 30, 2020.