

Soft-World International Corporation
Operational Procedures for Loaning Funds to Others

- I. Subject:
Article 1: The Company's lending to other parties shall comply with the procedure. provided, where financial laws or regulations provide otherwise, such provisions shall govern.
- II. Content:
Article 2: The counterparty of the lending to other parties and its evaluation standards:
1. Restriction of the lending counterparty
 - (1) Businesses that the Company has business dealing with.
 - (2) A company or firm with the necessity of the short-term financing funds. Such financing amount shall not exceed 40 percent of the lender's net worth. The term "short-term" as used in the preceding paragraph means one year. or where the company's operating cycle exceeds one year, one operating cycle. The financing amount refers to the accumulated balance of short-term financing funds of the Company.

The loaning of funds between the foreign companies who the Company directly and indirectly holds 100% of voting shares, or the foreign companies who the Company directly and indirectly holds 100% of voting shares loaning to the Company, shall not apply for Subparagraph 2 of the first Paragraph. However, the Public Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

When the Company's paid-in capital reaches NT\$1 billion or more and has joined the Taipei Leasing Association, and has proclaimed to comply with the voluntary code of practice, and has conducted itself according to the regulations of this procedure, its engagement of the short-term financing funds shall not be applied to the limit of the financing amount stated in Subparagraph 2 of the first Paragraph. provided, however, that the amount loaned by it may not exceed 100 percent of its net worth.

The responsible person of a company who has violated the proviso stipulated in the first Paragraph and the preceding paragraphs shall be liable, jointly with the borrower, for the repayment of the lending and for the company's damage, if any.
 2. The evaluation standards and necessity of the funds loaning to other parties.

When the engagement in loaning of funds with other companies or firms is derived from the business relationship, the Company shall comply with the regulations stated in the Paragraph 2 of Article 3. The loaning caused by the necessity of short-term financing funds shall be limited to the following situations:

 - (1) A company whose shares are more than 40% held by the Company has the necessity of the short-term financing funds due to business demand.
 - (2) Other parties that are approved by the Board of Directors of the Company.
- Article 2-1: The subsidiaries and the parent company stated in the procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

When the financial reports of the public company are prepared in accordance with IFRS, the net worth on this Procedure refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The public announcement refers to entry into the information announcement website designated by the Financial Supervisory Commission.

“Date of occurrence” means the date of transaction contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the transaction counterparty and monetary amount of the transaction, whichever date is earlier.

Article 3: Sum of lending and limit amount of single counterparty:

1. The sum of the Company’s lending shall not exceed 50% of the net worth of the Company; however, the sum of the lending between companies or firms caused by the necessity of short-term financing shall not exceed 40% of the net worth of the Company.
2. For the lending to a company or firm who has a business relationship with the Company, the individual lending amount shall not exceed both parties’ transaction amount. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
3. For a company or firm with the necessity of the short-term financing fund, the individual lending amount shall not exceed 50% of the net worth of the Company.

Article 4: The procedure of lending processing and its review:

I. Review procedures and loan approval:

(I) Review and evaluation:

For the process of the Company’s loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility.

When the Company receives the application, its finance department shall investigate and evaluate the counterparties’ business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report.

The finance department shall conduct a detailed investigation and evaluation for the counterparty of the lending. The evaluation items shall at least include:

1. The necessity of and reasonableness of extending loans to others.
 - (1) To measure the necessity of the lending amount based on the financial position of the counterparty of the lending.
 - (2) Whether the accumulated amount of lending is still within the limit.
2. The credit investigation for the lending’s counterparty and the risk assessment.
3. Impact on the company's business operations, financial condition, and shareholders' equity.
4. Whether collateral must be obtained and appraisal of the value thereof.

(II) Credit investigation:

All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the lending’s counterparty. The credit and risk assessment records of the borrower are also enclosed.

II. Assurance:

- (I) For the Company’s lending to other parties, if the board of directors considers it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the board of directors may refer

to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.

- (II) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and the responsible person's seal, as well as review the debtor and guarantor's seals and the process of the signature.

III. Delegation scope:

After the finance department conducts the credit investigation on the Company's lending, it shall be carefully assessed whether it meets the regulation of this procedure, combining the assessment result, and shall be reported to the presidents for approval, then reported to the board of directors for resolution. It shall not delegate other persons to make the decision.

The lending between the Company and its parent company or its subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.

For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the lending of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.

The company shall take into full consideration each independent director's opinions for the loaning of funds to others. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Article 5: The term of lending and the calculation of the interest

1. Each lending shall not be more than one year.
2. The lending's interest rate shall not be lower than the interest rates of the Company's recent short-term borrowings from financial institutions, or the "five big banks' average base rate" announced by the Central Bank, whichever is higher. The Company's lending interest will be paid once a year in principle. In case of special circumstances, it may be adjusted according to actual situations after the approval of the board of directors.

If there is a special circumstance with no interest, it may be adjusted according to the actual situation after the approval of the board of directors.

Article 6: Subsequent control measures for the lending amount and the procedures for processing overdue claims:

1. After the amount of the lending is remitted, the borrowers and guarantors' financial, business and related credit status shall always be paid attention to. If there is collateral, the changes in the collateral's value shall also be paid attention to. In the event of significant changes, the chairman shall be notified immediately, and they shall be treated appropriately according to instruction.
2. When the borrower repays the loan at the expiration of loan or before expiration, the payable interest shall be calculated first. After payable interest and principal are paid, the notes can be cancelled and returned to the borrower or process the cancellation of mortgage.
3. The borrower shall repay the principal and interest immediately at the expiration of loan. In case of violation, the Company may dispose of and claim the collateral

or guarantor provided by the borrower in accordance with the law.

Article 7: Internal Control:

1. For the lending, the Company shall establish a memorandum book to record the detail information in respect of the lending's counterparty, amount, the date approved by the board of directors, the date remitted and other regulated information that shall be carefully assessed.
2. The company's internal auditors should audit the operating procedures and the loaning of funds to others on a quarterly basis, at least, with a written record compiled. The Audit Committee should be notified in writing immediately for any material nonconformity identified. The managerial officers and responsible personnel will be punished accordingly for any material nonconformity identified.
3. When the lending's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every Audit Committee and shall be completed according to the planning schedule.
4. When the Company's managers and persons in charge conduct the lending to other parties in violation of this procedure, such events shall be reported for appraisal regularly according to the code of practice, and shall be punished based on the circumstances.

Article 8: Announcement and reporting procedures:

1. The Company shall announce the previous month's lending balance of the Company and the subsidiaries by the 10th day of each month.
2. If the lending balance meets one of the following criteria, it shall be announced within 2 days from the date of the fact:
 - (1) The aggregate balance of loans of funds to others by the company and its subsidiaries reaches 20 percent or more of the company's net worth as stated in its latest financial statement.
 - (2) The balance of loans of funds to others by the company and its subsidiaries for a single enterprise reaches 10 percent or more of the company's net worth as stated in its latest financial statement
 - (3) When additional lending granted by the Company or subsidiary amounts to more than NT\$10 million and represents more than 2% of the Company's net worth, as shown in the latest financial statements.

For the subsidiaries who are not public companies, when the subsidiaries have situations of announcement stated in the subparagraphs of the preceding paragraph, the Company shall conduct the announcement for its subsidiaries.

III. Other matters

Article 9: When the subsidiaries of the Company intend to provide the lending to other parties, the Company shall instruct the subsidiaries to establish the procedure of lending to other parties in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and shall conduct itself according to the procedure.

Article 10: The Company shall evaluate the lending status and provide sufficient bad debt provision. The relevant information shall be disclosed in the financial report and shall be provided to CPAs for conducting the necessary audit procedure.

Article 11: The matters that are not covered in the procedure shall be conducted in accordance with the applicable laws and the related articles of the Company.

IV. Effectiveness and amendment:

Article 12: The company's Procedures for Loaning of Funds should be agreed by the majority of the Audit Committee members, resolved by the Board of Directors, and approved by

the shareholders meeting. The same process applies for amendments.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the shareholders meeting for discussion.

The company shall take into full consideration each independent director's opinions when the Procedures for Loaning of Funds is presented to the Board of Directors for discussion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

The entire body of members of the audit committee herein and the entire body of directors in this article shall be counted by the actual incumbents.

Article 13: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009, the 4th amendment was made on June 17, 2009, the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013; the 7th amendment was made on June 17, 2015 and the 8th amendment was made on June 18, 2019; the 9th amendment was made on June 17, 2015 and the 9^h amendment was made on June 26, 2023.