

Soft-World International Corporation

Regulations Governing Making of Endorsement and Guarantees

Article 1: The Company's endorsement or guarantee to other parties shall comply with this procedure. provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 2: The endorsements and guarantees stated in the procedure refer to the following items:

1. Financing endorsements/guarantees, include:
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees: Meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Where the Company provides movable or immovable property to establish the pledges and mortgages for the purpose of the loan of other companies.

Article 3: Counterparty of endorsements and guarantees:

In addition to where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry for the purpose of expanding the business or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, the counterparty of the endorsements and guarantees shall be limited to the following companies:

1. The Company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10%. this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

Where the company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 3-1: 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. Where the company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission.

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

Article 4: The limited amount for the endorsements and guarantees

1. The sum of external endorsements and guarantees by the Company shall not exceed 50% (50% excluded) of the current net worth.
2. The endorsements and guarantees on a single company shall not exceed 20% of the current net worth.

The net worth shall refer to the audited financial statements in the latest period.

3. If the endorsements and guarantees are derived from business relationship, except for the aforesaid limit, the individual amount of the endorsements and guarantees shall not exceed the business transactions amounts. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
4. The sum of the entirety of endorsements and guarantees for the Company and its subsidiaries shall not exceed 50% (50% excluded) of the current net worth of the Company, and the endorsements and guarantees on a single company shall not exceed 30% of the current net worth of the Company. If the sum of the entirety of endorsements and guarantees for the Company and its subsidiaries reaches 50% or more of the net worth of the Company, the necessity and reasonableness shall be explained in the shareholders meeting.

For the subsidiaries whose shares have no par value or a par value other than NT\$10, the paid-in capital stated in Subparagraph 11 of the preceding paragraph shall refer to the sum of the share capital plus capital reserves minus the original issue premium.

5. If the counterparty of endorsements and guarantees is a subsidiary of the Company whose net worth is less than one-half of the paid-in capital, in addition, and pursuant to the first paragraph of Article 6 of the procedure, the person in charge in the finance department shall prepare the reports that summarize the increase and decrease of the endorsements and guarantees and its balance on a monthly basis and submit it to the authorized managers for review. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation and record in it writing at least quarterly. If there is any material violation, it shall be notified to each Audit Committee in writing immediately.

Article 5: Decision and authorization hierarchy

1. The endorsements and guarantees matters shall be reported to the board of directors for resolution before execution. The board of directors may delegate the chairman to decide the execution first when the transaction is within NT\$30 million pursuant to the relevant regulations of the procedure, and have the decisions subsequently submitted to and ratified by the next board of directors meeting.
2. Where the company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of

the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

If the Company has established the independent directors, the preceding paragraph's discussion of the board of directors shall fully take each independent director's opinions into account. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.

3. The endorsements and guarantees of the subsidiaries whose voting shares are more than 90% held by the Company directly and indirectly shall be reported to the board of directors of the Company for resolution before execution pursuant to Paragraph 2 of Article 3. this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

Article 6: The processing procedure of the endorsements and guarantees and its audit:

1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained.
2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items:
 - (1) the necessity and rationality of the endorsement.
 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company.
 2. Whether the aggregate amount of the endorsements and guarantees is still within the amount of limit.
 3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit.
 - (2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation.
 - (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.
3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the board of directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.
4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.
5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation

basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every Audit Committee and shall be reported to the board of directors.

Article 7: Cancellation of endorsements and guarantees:

1. When the related credentials or notes of the endorsements and guarantees are cancelled due to the repayment of the debt or renewal for extension, the guaranteed company shall provide an official letter, together with the original related credentials or notes to the finance department of the Company for stamping the cancellation on the credentials or notes. Afterwards, the credentials or notes will be sent back, but the application letter will be held for backup.
2. The finance department shall always record the cancelled credentials or notes in the memorandum book of endorsements and guarantees to reduce the amount of endorsements and guarantees.
3. For the credentials or notes' renewal for extension, if the financial institutions ask to endorse the new credentials or notes first then return the old credentials or notes, the finance department shall record the tracing status and take back the old credentials or notes as soon as possible in order to make the cancellation.

Article 8: Internal Control

1. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the Audit Committee in writing of any material violation found.
2. The Company's engagement in the endorsements and guarantees shall be conducted in compliance with the procedure. If there is any material violation, the managers and the persons in charge shall be punished depending on the circumstances.

Article 9: The procedure for usage of seal and its safekeeping

1. The Company shall use the seal applied for registration with the Ministry of Economic Affairs as a dedicated seal of the endorsements and guarantees. That seal shall be kept by the dedicated person, and the sealing or issuing notes shall comply with the sealing procedure of the Company.
2. If the Company provides the guarantees to a foreign company, the Company's guarantee letter shall be signed by the person authorized by the board of directors.

Article 10: Announcement and reporting procedures:

In addition to announcing the previous month's balance of endorsements and guarantees of the Company and the subsidiaries by the 10th day of each month, if the balance of endorsements and guarantees meets one of the following criteria, it shall be announced within 2 days from the date of the fact:

1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50 percent or more of the public company's net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20 percent or more of the public company's net worth as stated in its latest financial statement
3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, book value of investment accounted for using equity method, and balance of loans to, such enterprise reaches 30 percent or more of public company's net worth as stated in its latest financial statement.

4. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.

For the subsidiaries who are not the public companies, when the subsidiaries have announcement matters stated in Subparagraph 4 of the preceding paragraph, the Company shall conduct the announcement for the subsidiaries.

Article 11: The control procedure for the endorsements and guarantees of the subsidiaries:

When the subsidiaries of the Company intend to provide the endorsements or guarantees to other parties, the Company shall instruct the subsidiaries to establish the procedure of endorsements and guarantees in accordance with the regulations and shall comply with the procedure established.

Article 12: Any matters that are not mentioned in this procedure shall be pursuant to the applicable laws and the articles of the Company.

Article 13: The amendments to the Regulations should be agreed by the majority of the Audit Committee members, resolved by the Board of Directors, and approved by the shareholders meeting. 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.

When the procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. 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 terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

If the Company does not intend to provide the endorsement or guarantee to other parties, it may be exempted from the establishment of the procedure of the endorsements and guarantees according to the resolution of the board of directors.

The making of endorsements/guarantees, if so planned, should also be handled in accordance with the relevant provisions of the Regulations.

Article 14: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 23, 2007; the 3rd amendment was made on June 26, 2007, the 4th amendment was made on June 19, 2009, the 5th amendment was made on June 17, 2010; the 6th amendment was made on June 27, 2012; the 7th amendment was made on June 19, 2013 and the 8th amendment was made on June 14, 2018; the 9th amendment was made on June 18, 2019 and the 10th amendment was made on June 26, 2023.