

Shining Building Business Co., Ltd

Operating Procedures for Lending Funds to Others

(The English Version is Based on Traditional Chinese Version for June 24, 2022)

1. Purpose: In order to make the Company's lending funds to others, can assess its risks in advance, refer to the “Regulations Governing Loaning of Funds and Making of Endorsements & Guarantees by Public Companies” to rule this Operating Procedures.
2. Scope:
 - 2-1. Companies having a business relationship with the Company.
 - 2-2. Companies in need of funds for a short-term period with the Company, and the total amount of lending funds shall not exceed 40% of the net worth of the Company.

“Short-term period” as referred to in the preceding item means one year; however, if the business cycle of the Company is longer than one year, the business cycle shall prevail. “Total amount of lending funds” is the accumulated balance of short-term lending funds of the Company.
3. Responsibilities:
 - 3-1. Handling: Finance Division.
 - 3-2. Approved:
 - 3-2-1. Before lending funds to others, carefully assess compliance with this Operating Procedures and relevant statutory provisions, and the results of Article 4-2 assessment shall be agreed by more than one-half of all members of the audit committee, and submit to the Board of Directors for approval. Without the consent of more than one-half of all members of the audit committee, it shall be carried out by the consent of more than two thirds of all directors, and shall record the resolution of the audit committee in the board meeting minutes, and do not authorize other people to decide. The opinions of independent directors should be fully considered, and their clear opinions and reasons for their approval or disapproval should be included in the Board of Directors records.
 - 3-2-2. The lending funds between the Company and its’ subsidiaries, or between the subsidiaries, shall be referred to the resolution of the Board of Directors in accordance with the preceding provisions, and the chairman shall be authorized to make a certain amount of the same loan to the object of the Board of Directors resolution and not more than one year in the period of sub-allocation or recycling.
 - 3-2-3. The amount referred to in the preceding item shall not exceed 10% of the Company's net value of the most recent financial results, except for those who meet the Article 4-3-1.
 - 3-2-4. Subsidiaries and parent companies are determined in accordance with the provisions of the Financial Reporting Standards for Securities Issuers.

4. Operating Contents:

4-1. Applicant:

The Company handling the matters of lending funds, the borrower shall provide the necessary company information and financial information, to apply the financing amount in writing, and the operator shall examine the reasons and necessity, such as exempting the subsidiaries of the Company from the company information and financial information.

4-2. Credit Investigation:

4-2-1. After accepting the application, the Company's finance division shall investigate, evaluate and prepare a report for the object of the loan on the business, financial situation, solvency and credit, profitability and borrowing purpose of the loan. If the subsidiaries of the Company are exempt from the credit investigation.

Finance division conducts a detailed assessment review of the investigation of the loan and object of funds, which should include at least the items as following:

- (1). The necessity and rationality of lending funds to others.
- (2). To measure whether the amount of lending funds is necessary by the financial situation of the borrower.
- (3). Whether the accumulated amount of lending funds are still within the limit.
- (4). Effect on the operating risk, financial situation and interest on shareholders of the Company.
- (5). Whether the assessed value of collateral and collateral should be obtained.
- (6). Review the record of the credit investigation and risk assessment for the object of the loan.

4-2-2. Preservation: When handling the matters of lending funds, the Company shall obtain a guaranteed promissory note in an amount equivalent to the loan, such as exempting the subsidiaries of the Company from the drawing of the promissory note, and, if necessary, the mortgage setting of movable or immovable property. For the credit guarantee in the preceding paragraph, if the debtor provides a person or company with considerable resources and credit as a guarantee, instead of providing collateral, the audit committee and the Board of Directors may refer to the credit report of the finance division. Those who use the company as a guarantee should pay attention to whether there are clauses in the articles of incorporation that can be used as guarantee.

4-3. Limitation of Lending Funds:

4-3-1. The total amounts of lending funds and limitation of individual object:

- (1). The total amounts of lending funds of the Company shall not exceed 40% of the net worth of the Company.
- (2). The amount of individual lending funds of companies or firms with which the Company does business shall not exceed the total amounts of business transactions between the two parties in the most recent year. The amounts of business transactions referred to refers to the high amount of goods purchased or sold between the two parties.
- (3). The companies or firms which have the necessity of short-term financing, the amount of individual lending funds shall not exceed 40% of the net worth of the Company.
- (4). The Company directly and indirectly holds 100% of the voting rights of the shares of

foreign companies or the Company directly and indirectly holds 100% of the voting shares of foreign companies to the Company engaged in lending funds, their total limitation amounts and individual limitation amount shall not exceed 100% of the net value of the Company.

4-4. Terms of Lending Funds and Interest-Bearing Method:

4-4-1. The duration of each loan of funds shall be limited to one year or the Company's one operating cycle, whichever duration is longer.

Concerning inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, limits on the durations of such loans may not exceed 3 years.

4-4-2. The interest rate of lending funds shall not be lower than the interest rate of the Company's short-term loan from financial institution, and the method of collecting interest on the loan shall be agreed upon, and in the event of special circumstances, it shall be adjusted according to the actual situation with the consent of the chairman.

4-5. Follow-up Controlling Measure and Procedure for Collecting Loans Matured:

4-5-1. After the loan is granted, the Company shall follow and trace financial status, business and credit status of the borrower and guarantor regularly. In case any collateral is furnished, attention shall be paid to the value change of it. In case of material change in the value of the collateral, shall immediately be notified and proper measures be taken as instructed by the chairman.

4-5-2. When the loan is due or the borrower pays the loan before the due date, the borrower shall calculate the payable interests and pay the interests with the principal before the notes or other collaterals may be rescinded and returned to the borrower or the mortgage registration may be cancelled.

4-5-3. The borrower shall demand repayment of principals and interests when the loan becomes due. If the timely repayment could not be effected and extension of the term is needed, prior request is required to the Board of Directors for its approval, if violated, the Company may in accordance with the law, dispose of and recover the collateral or guarantors provided.

4-6. Internal Control:

4-6-1. When the Company engaged in matters of lending funds, a register shall be set up to record for reference the party, amount, date of resolution of Board of Directors, date to grant of the loan and other matters required by rules to be carefully evaluated.

4-6-2. Internal auditing personnel shall audit the operating procedures for lending funds to others and its implementation quarterly and make written record. If material breach is detected, audit committee shall immediately be notified by written notice. If a material violation is found, the manager and the sponsor shall be punished according to the violation.

4-6-3. When the remaining amount of the loan exceeds the limitation due to change of circumstances of the Company, an improvement program shall be made and sent to audit committee, and followed by scheduled improvements.

4-6-4. The responsible person of a company who has violated the provisions of Paragraphs 2-1 and 2-2 shall be liable, jointly and severally with the borrower, for the repayment of the loan at

issue and for the damages, if any, to the Company resulted there-from.

4-7. Disclosure and Report:

4-7-1. The Company shall, before the 10th day of each month, disclose and report its and its subsidiaries' remaining amount of lending funds of last month.

4-7-2. In events of the Company's 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:

- (1). The balance of lending funds to others from the Company and subsidiaries reaches the amount higher than the 20% of the net worth of the latest financial report.
- (2). The remaining amount of lending funds to one single company from the Company and subsidiaries reaches the amount higher than the 10% of the net worth of the latest financial report of the Company.
- (3). The Company or subsidiaries raise new lending funds which is more than NT\$10 million and higher than the 2% of the net worth of the latest financial report of the Company.

If the subsidiary of the Company is not the public listed company of the country and is applied to the third item of the preceding section, it shall be disclosed and reported by the Company.

The term "net worth" means that the balance sheet stipulated in the financial reporting guidelines for the issuer of securities belongs to the interests of the owner of the parent company.

"Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

4-8. Controlling of Subsidiaries:

4-8-1. If the subsidiary of the Company is not the public listed company of the country and is applied to each items of the preceding section, it shall be disclosed and reported by the Company.

4-8-2. The calculation of the ratio of lending funds balances to net worth of the former subsidiaries shall be calculated in proportion to the proportion of the lending funds balances of the subsidiaries to the net worth of the Company.

4-8-3. When the Company's subsidiary plans to lending funds to others, the subsidiaries shall have made an operating procedures for lending funds to others according to this Operating Procedures and follow it.

4-9. The Company shall assess the circumstances of lending funds and make an adequate provision for bad debts, and appropriately disclose the relevant information in the financial report, and provide relevant information for the accountant to carry out the necessary verification procedures and issue a report on the promised verification.

4-10. Effective and Amendment:

4-10-1. This Operating Procedures which not provide for matters, will act in accordance with the relevant laws and relevant regulations of the Company.

4-10-2. When the Company adopts or amends its Operating Procedures for Lending Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the

Board of Directors. If the approval of one-half or more of all audit committee members is not obtained, the Operating 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.

The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

4-10-3. Where the Company has appointed independent directors, when it submits its Operating Procedures for Lending Funds to Others for discussion by the Board of Directors under the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors meeting.

5. Related Information / Documents: None.

6. Table Used:

6-1. Fund-Loaning Provision (Cancellation) Applications (SI-F-R-024)

6-2. Memorandum Book for Fund-Loaning Activities (SI-F-R-025)