

Advanced International Multitech Co., Ltd.

Operation Procedures for Loaning Funds to Others

Article I Purpose and Loan Objects

Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement; or
2. Where an inter-company or inter-firm short-term financing facility is necessary.

If there are any matters not covered in this procedure, they will be handled in accordance with the provisions of relevant laws and regulations.

Article II The term "short-term" in this Procedure means one year, or where the company's operating cycle exceeds one year, one operating cycle. The term "financing amount" means the cumulative balance of the Company's short-term financing.

Article III Limit on the aggregate loan amount

1. The total amount of the Company's funds lent to others, except for the repayment for others due to endorsement guarantees and loans lent before the effectiveness of the operating procedures, shall not exceed 40% of the Company's net worth as show on the latest financial statement. As for the limit for individual objects, it shall not exceed 20% of the Company's net worth as show on the latest financial statement.
2. The total loan amount and the individual loan amount for inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or for loans of fund by the Company to any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed 50% of the borrowing company's net worth as show in the company's latest financial statement.

Article IV Duration of Loans and Calculation of Interests

1. Duration of Loans: The term of each financing is limited to no more than one year.
2. Interest rate and interest method: The interest calculation method is based on the agreed interest rate; however, the rate may not lower than the lowest interest rate for the Company's short-term borrowings from financial institutions.

The restriction in the preceding paragraph item I shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares; in the circumstance, term of the loan shall be limited to no more than one year; however, with the resolution of the board of directors, such loan may be extended once (one year).

Advanced International Multitech Co., Ltd.

Operation Procedures for Loaning Funds to Others

Article V Review Procedures

1. When the Company handles loan matters, the borrower should first submit necessary company information and financial information and apply for a financing limit in writing to the Company.
2. If funds are loaned due to business relationships, the financial unit should evaluate whether the loan amount is equivalent to the business transaction amount; if short-term financing is necessary, the reasons and circumstances for obtaining the loans should be listed, and a credit report should be conducted. A report should be prepared and submitted to the head of the financial department and the CEO before submitting to the board of directors for resolution.
3. When conducting a credit investigation on a borrower, the Company should also evaluate the impact of the loan on the Company's operational risks, financial status, and shareholders' equity.
4. When lending funds to others, the Company should fully consider the opinions of each independent director, and include all the opinions, agreement or objection and the reasons for the objection in the board of directors' records.

Article VI Security

The borrower should provide equivalent guarantee, such as movables, real estate or guarantee notes, when actually borrowing money. If necessary, the borrower should also set up a mortgage for movables and real estate. The Company also needs to evaluate the value of the collateral to protect the Company's own creditor's right.

Article VII Hierarchy of decision-making authority

Funds can only be lent to others when it is resolved in the Board Meeting. No other people can be authorized to make the decision.

Article VIII Operating Procedures

Operating procedures for lending funds to other are as follows:

Loan applicant submits an application → the financial unit reviews the loan limit and credit report → approval by the CEO → approval by the Chairman → submit to review and resolve in the board meeting → loan applicant fund transfer application (attachment 1) → financial unit complete the guarantee procedures and fund appropriation

Article IX Public Disclosure

1. The Company should input the loan balances of the Company and its subsidiaries for the previous month into the Market Observation Post System before the 10th of each month.
2. If the Company's loan balances meet one of the following standards, the information should be submitted to the Market Observation Post System within two days from the date of the fact.

Advanced International Multitech Co., Ltd.

Operation Procedures for Loaning Funds to Others

- (1) The balance of funds loaned by the Company and its subsidiaries to others exceeds 20% of the Company's net worth as show in the Company's most recent financial statements.
- (2) The balance of funds loaned to a single enterprise by the Company and its subsidiaries exceeds 10% of the Company's net worth as show in the Company's most recent financial statements.
- (3) The amount of new loans of the Company or its subsidiaries exceeds NT\$10 million and exceeds 2% of the Company's net worth as show in the Company's most recent financial statements.
3. If the Company's subsidiary is not a domestic public offering company and having matters that should be announced and reported in the third paragraph of the preceding paragraph, the Company shall do the public disclosure for it.
4. The Company should evaluate the situation of loans and make sufficient allowance for bad debts, and disclose relevant information in financial reports, as well as provide relevant information to certified accountants to perform necessary audit procedures.
5. The term "date of occurrence" in the preceding paragraph 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 or endorsement/guarantee, whichever date is earlier.

Article X Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's right

1. After the loan is disbursed, the Company should always pay attention to the financial, business, and related credit status of the borrower and the custodian. If any collateral is provided, the Company should also pay attention to whether there are any changes in the value of the collateral. Any major changes, if any, should be report to the Chairman immediately, and appropriate manner should be carried out in accordance with instructions.
2. When the borrower repays the loan at or before the maturity of the loan, interest payable should be calculated first and paid together with the principal amount before returning the promissory note to the borrower or canceling the mortgage right.
3. The borrower shall repay the principal and interest immediately when the loan matures. If the repayment cannot be repaid when due and an extension is required, a request must be made in advance and approved by the board of directors, and the extension shall be limited to one time only; besides, duration of each financing shall not exceed one year. In case of violation, the Company may take legal action and recover compensation for the collateral or guarantor provided.

Advanced International Multitech Co., Ltd.

Operation Procedures for Loaning Funds to Others

- Article XI Procedures for controlling and managing loans of funds to others by subsidiaries
1. If the Company's subsidiaries intend to lend funds to others, they should also formulate this operating procedure and handle in accordance with the prescribed operating procedures; however, the net worth is calculated based on the subsidiary's net worth.
 2. Subsidiaries should prepare a detailed statement of funds loaned to others for the previous month before the 10th of each month (exclusive) and submit the statement to the Company for review.
 3. The internal auditors of the Company's subsidiaries should also audit the actual loan operating procedures and the implementation status at least once each quarter and make written records. Written notice should be sent immediately to notify the Company's audit unit, if there is found any major violation, and the Company's audit unit should send a written report to the Audit Committee.
 4. When the Company's audit personnel conducts audits at subsidiaries' sites in accordance with the annual audit plan, the audit personnel should also understand the implementation status of the subsidiary's operating procedures for fund lending and others. If any deficiencies are found, they should follow up the issue, track the improvements and prepare a tracking report for submitting to the CEO.
- Article XII Precautions when loaning funds to others
1. Before lending funds to others, the Company should carefully evaluate whether the requirements of these operating procedures are met. The evaluation results along with the loan proposal should be sent to the board meeting for resolution and execution. No other personnel should be authorized to make a decision.
 2. Loans between the Company and its subsidiaries, or between subsidiaries, shall be resolved by the board of directors in accordance with the provisions of the preceding paragraph, and the chairman of the board may be authorized to allocate funds in installments or as revolving loans to the same loan object within a certain amount determined by the board of directors within a period not exceeding one year.
 3. The certain amount referred to in the preceding paragraph regarding the Company or the Company's subsidiary loans to a single enterprise that is authorized shall not exceed 10% of the Company's net worth in the Company's most recent financial statement unless it meets the provisions of Article 3, Paragraph 2.
 4. The Company's internal audit personnel should audit the operating procedures of fund lending to others and the execution status at least once per quarter, and keep written records. If major violations are discovered, the audit committee should be notified in writing immediately.
 5. When there are changes in circumstances and the loan is not in compliance with the requirements of this procedure or the loan balance exceeds the limit, the audit unit shall urge the Financial Department to formulate an improvement plan, submit the improvement plan to the Audit Committee, and complete the

Advanced International Multitech Co., Ltd.

Operation Procedures for Loaning Funds to Others

improvement according to the planned schedule.

6. The Financial Department should establish a record book for loans, and record the name of the loan recipient, guaranteed collaterals, loan amount and cumulative limit, interest rate, term, etc. for future reference.

- Article XIII The provisions of this operating procedure do not apply to compensation actions due to endorsement guarantees.
- Article XIV Penalties
When the Company's managers and organizers violate these operating procedures, they will be punished according to the relevant regulations on Employee Performance Appraisal, Rewards and Punishments, depending on the severity of the case.
- Article XV Funds that have been loaned to others before this operating procedure takes effect will still be handled according to the original agreed conditions, and this operating procedure does not apply.
- Article XVI Implementation and Amendments
This procedure will be implemented after being approved by the Audit Committee and the Board of Directors and sent to obtain approval in the Shareholders' Meeting. If any director expresses objections and there is a record or written statement, the Company shall submit the objections to the Audit Committee and submit them to the Shareholders Meeting for discussion. The same applies when there are amendments.
If the procedure does not obtain the consent of more than one-half of all members of the Audit Committee, it may be implemented with the consent of more than two-thirds of all the directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.
All members of the audit committee referred to in Paragraphs 1 and 2 and all directors referred to in the preceding Paragraph shall be calculated based on those who are actually in office.