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Procedure for Loaning Funds to Others Of TSRC Corporation (the “Company”)

Date of Revision: June 3, 2025

1 Purpose

The Company established this Procedure for Loaning Funds to Others (the “Procedure”) as a guideline for the Company in lending funds to other parties. The Company shall comply with the Procedure when making loans subject to other applicable laws and regulations which shall prevail.

2 Scope

2.1 Permitted Borrowers

The Company shall only make loans for a short-term period where it is for the necessary purposes of financial or business needs and to the entities in which the Company invests directly or indirectly.

2.2 Limitation on the Total and Individual Loan Amount

2.2.1 The total loan amount by the Company to all entities shall not exceed forty percent (40%) of the Company’s net worth as stated in its latest financial statements audited, certified, or reviewed by a CPA.

2.2.2 The total loan amount by the Company to one single entity shall not exceed ten percent (10%) of the Company's net worth as stated in its latest financial statements audited, certified, or reviewed by a CPA.

2.2.3 In the event that the Company violates any provision of this Article, the responsible person of the Company shall bear joint and several liability with the borrower for repayment. If the Company suffers any damage, the responsible person shall also be held liable for the damages.

3 References

3.1 “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” issued by the Financial Supervisory

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Commission

3.2 Working Rules

4 Definitions:

- 4.1 “Subsidiary”: Shall have the meaning as defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.2 “Net Worth”: Where the Company’s financial reports are prepared in accordance with the International Financial Reporting Standards, “net worth” in the Procedure means the equity attributable to the owners of the parent company as stated in the balance sheet under the definition of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

5 Operating Procedures

5.1 Application, Review and Disbursement

5.1.1 Submission and Receipt of Application

The borrower shall apply to the Company in writing by submitting its most recent financial information or audited financial statements and a description of the purpose of the loan. The responsible department shall process the application.

5.1.2 Review

After the Company accepts the loan application, the responsible department shall submit a written evaluation report that includes the following points as a basis for review:

- (1) The necessity of and reasonableness of extending loans to the borrower.
- (2) The borrower’s credit status and risk assessment.
- (3) Impact of the loan on the Company's business operations risk, financial condition, and shareholders' equity.
- (4) Whether collateral must be obtained and appraisal of the value thereof.

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5.1.3 Reporting and Approval

When handling any loan of funds, the responsible department shall submit a request and a written evaluation report describing the borrower, type, reason, and amount of the loan, etc. to the Chairperson. After approved by the Chairperson, such report shall be submitted to the audit committee for review and then submitted to the Board of Directors for resolution. If no approval is obtained from one-half or more of all audit committee members, the loan may be implemented with approval from 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.

Any loan between the Company and any of its subsidiaries, or between the subsidiaries, shall be submitted for a resolution by the Board of Directors in accordance with the preceding paragraph, and the Chairperson may be authorized, within a certain amount as decided by the Board of Directors, and for a period not exceeding one (1) year, to give loans to the same borrower in installments or on a revolving basis, provided that the foregoing authorized amount shall not exceed ten percent (10%) of the net worth of the lender as stated in its latest financial statements.

In loaning funds to others, the Company shall fully consider each independent director's opinion, and the clear assent or dissent of which as well as the reasons for dissent shall be included in the meeting minutes of the Board of Directors.

5.1.4 Calculation of Loan Interest

The loan interest shall be calculated monthly at a rate consistent with the Company's deposit interest and lending rates and shall be charged on a quarterly basis.

5.1.5 Tenor of Loan

The tenor of each loan shall generally not exceed one (1) year or if the borrower's operating cycle exceeds one (1) year, one operating cycle.

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5.1.6 Notice to the Borrower

- (1) Upon approval of a loan case, the responsible personnel shall promptly write to or call the borrower to inform the terms and conditions of the loan, including the amount, term, interest rate, collateral, and guarantor, etc.
- (2) The borrower shall complete the borrowing procedure within the prescribed timeframe in order to proceed with drawdowns.

5.2 Preservation of Debts

5.2.1 Contract Signing and Verification of the Identities of Borrower and Guarantor: After the borrower and the joint and several guarantor have signed the acknowledgement of debt, the responsible personnel shall complete verification of the borrower's and guarantor's identities. When the guarantor is a company, the personnel shall check whether the articles of incorporation of that company permit the company to make guarantees.

5.2.2 Creation of Collateral Rights: If additional collateral is required apart from the borrower's promissory note in the same amount of the loan, the borrower shall go through the procedure of setting up a pledge or mortgage.

5.2.3 Insurance: The collateral, except for land and securities, shall be covered by the most appropriate insurance with an insurance amount of no less than the pledged value. The insurance policy shall name the Company as the beneficiary.

5.3 Subsequent Control Measures for the Loaned Amount and the Handling of Overdue Debts

5.3.1 The responsible department shall pay attention to the borrower's and guarantor's financial, business and other related credit statuses once and after the loan is disbursed. If any collateral has been pledged, the responsible department shall also pay attention to any change in the value of the collateral, and if necessary, shall invite the relevant departments to discuss countermeasures and submit a report of the

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meeting to the Chairperson.

5.3.2 When the borrower repays the loan at or before maturity, the interest payable shall be calculated first and repaid along with the principal before the promissory note and/or other forms of guarantees or pledges of assets can be cancelled and returned to the borrower or before the mortgage can be cancelled and de-registered.

5.3.3 If a borrower fails to perform a financing agreement, the Company may liquidate the pledged collateral or seek repayment from the guarantor pursuant to applicable laws.

5.4 Internal controls

5.4.1 Preparation of Memorandum Book

After approval of any loan, the responsible department shall provide the Accounting Department with the written evaluation report and the information of the date, amount and terms of the loan, the borrower and the date of repayment. The Accounting Department shall, upon receiving the abovementioned materials, prepare a memorandum book to record truthfully the details of the borrower, date of disbursement, amount of the loan, date of approval of the Board of Directors, and matters to be carefully evaluated in a written report. Such memorandum book will be used for public announcement and reporting, audited by CPA and filed to the competent authority for record keeping.

Any revision to the details of the loan shall be made pursuant to the requirement set forth in the above paragraph.

5.4.2 The internal auditors shall audit the Procedure and its implementation at least every quarter and prepare written records accordingly. In the event that any major violation is found, a written report shall be submitted promptly to the audit committee.

5.5 Announcement and Reporting

5.5.1 The Accounting Department shall announce and report the previous month's loan balances of the Company by the 10th day of each month.

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5.5.2 In addition to the abovementioned monthly announcement and reporting, if any loan made by the Company reaches one of the following levels, the Company shall announce and report such transaction within two (2) days of the date of occurrence. The “date of occurrence” means the date of contract signing, date of payment, date of the Board of Directors resolutions, or other dates that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

- (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches twenty percent (20%) or more of the Company's net worth as stated in its latest financial statement.
- (2) The aggregate balance of loans by the Company and its subsidiaries to a single entity reaches ten percent (10%) or more of the Company's net worth as stated in its latest financial statement.
- (3) The amount of new loans by the Company or its subsidiaries reaches ten million New Taiwan Dollars (NT\$10,000,000) or more, and reaches two percent (2%) or more of the Company's net worth as stated in its latest financial statement.

5.5.3 The Company shall announce and report, on behalf of any subsidiary thereof that is not a public company of the Republic of China, any matter that such subsidiary is required to announce and report pursuant to Article 5.5.2.(3) above.

5.6 Disclosure of Financial Reports

The Accounting Department shall evaluate the status of each loan made by the Company and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in the financial reports and provide CPA with relevant information for performing necessary audit procedures and issuing an appropriate audit report.

5.7 Excessive Loaning Amount

If, as a result of a change in circumstances, a borrower does not meet the requirements of the Procedure or the loan balance exceeds the limit, the

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responsible department shall formulate and submit a rectification plan to the audit committee of the Company, and shall complete the rectification in accordance with the planned timeframe.

5.8 Subsidiaries' Operations and Control Procedures for Loaning Funds to Others

5.8.1 If any subsidiary of the Company intends to loan to others, it shall establish a "procedure for loaning funds to others" based on this Procedure and then submit it to its board of directors for approval or where the subsidiary is required to hold shareholders' meetings, submit it to the shareholders' meeting for approval. This same approval process shall also apply to any amendments thereof.

5.8.2 For all necessary loans entered between overseas subsidiaries in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares, or made to the Company by any of its overseas subsidiaries in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares, the total loan amount by the lender to all entities shall not exceed the net worth of the lender as stated in its latest financial statements audited, certified, or reviewed by a CPA, and the total loan amount by the lender to one single entity shall not exceed the net worth of the lender as stated in its latest financial statements audited, certified, or reviewed by a CPA.

5.8.3 The tenor of each loan entered between overseas subsidiaries in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares, or made to the Company by any of its overseas subsidiaries in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares, shall generally not exceed five (5) years.

5.8.4 The subsidiary shall report in writing to the Company by the 5th day of each month the status of its loans made to others.

5.8.5 If a subsidiary is not a public company and the amount of loan it makes to others has reached the limit required for announcement and

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reporting under Article 5.5.2 hereof, the subsidiary shall notify the Company on the date(s) of occurrence, and the Company make an announcement and reporting in accordance with the relevant regulations.

5.9 Penalties

Any violation of the Procedure by the Company's managers or the responsible personnel shall be handled in accordance with the Working Rules of the Company.

5.10 Establishment and Amendment of the Procedure

The Procedure shall be put into effect after being approved by one-half or more of all audit committee members as well as after being approved by the Board of Directors and then ratified by the shareholders' meeting. If no approval is obtained from one-half or more of all audit committee members, the Procedure 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. In the event that any director expresses a dissenting opinion that is recorded or stated in writing, the Company shall submit the dissenting opinion to the shareholders' meeting for discussion. The approval process shall also apply to any amendment of the Procedure.

Only the members of the audit committee and the directors of the board that are actually in office shall be counted toward the number of all members of the audit committee and all directors of the board as referred to in this Procedure.

5.11 Supplementary Provisions

Matters not contained herein shall be governed by the applicable laws and regulations.

6 Attachment: None