

Bioteque Corporation

Procedures for Lending Funds to Others

Article 1: Purpose of Establishment

1. This procedure is established in accordance with the relevant provisions of the Company Law, the Securities and Exchange Act, and the 'Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.'
2. All matters related to loaning funds to others by the company shall be handled in accordance with this procedure, unless otherwise specified by law.

Article 2: Limits on Total Loans and Loans to Individual Entities

1. Total Fund Lending
 - (1) The total amount of funds lent by the company shall not exceed 40% of the company's net worth.
 - (2) For companies or businesses that have business dealings with the company, the total amount of funds lent shall not exceed 10% of the company's paid-in capital.
 - (3) For companies or businesses that require short-term financing, the total amount of funds lent shall not exceed 10% of the company's paid-in capital.
 - (4) For foreign subsidiaries where the company directly or indirectly holds 100% of the voting shares, the amount of financing through fund lending shall not exceed 30% of the company's net worth, and the total amount shall not exceed 40% of the company's net worth. The lending period must still comply with the provisions in Article 3 of this procedure.
2. Limits on Fund Lending to Individual Borrowers
 - (1) For companies or businesses that have business dealings with the company, the individual lending amount shall not exceed the higher of the business transaction amount between the two parties in the most recent year. The "business transaction amount" refers to the higher of the purchases or sales amount between the two parties.
 - (2) For companies or businesses that require short-term funds, the individual lending amount shall not exceed 5% of the company's paid-in capital.
 - (3) For foreign subsidiaries where the company directly or indirectly holds 100% of the voting shares, the individual lending limit to a single enterprise shall not exceed 30% of the company's net worth.

The term "subsidiary" and "parent company" as referred to in this procedure shall be defined according to the regulations in the financial reporting standards for

securities issuers. The term "net worth" shall be based on the latest financial statements that have been certified or reviewed by an accountant. If the company's financial report is prepared in accordance with International Financial Reporting Standards, the "net worth" referred to in this procedure refers to the equity attributable to the parent company's owners in the balance sheet as per the financial reporting standards for securities issuers.

If the company's responsible person violates the above provisions, they shall be jointly liable for the return with the borrower; if the company suffers damage, the responsible person shall also be liable for compensating the damage.

Article 3: Loan Period

The loan period shall be one year or one business cycle, whichever is longer. However, for foreign subsidiaries in which the company directly or indirectly holds 100% of the voting shares, the loan period may extend up to five years or five business cycles, whichever is longer.

Article 4: Loan Recipients and Evaluation Standards

1. Fund Lending Targets

- (1) Business transactions between companies or between companies and businesses.
- (2) Companies or businesses with a need for short-term funds. "Short-term" refers to a period of one year or one business cycle (whichever is longer).

2. Evaluation Standards for Lending Funds to Others

- (1) Companies in which the company holds more than 10% of the shares and which require short-term funds for business purposes.
- (2) Other companies or businesses that require short-term funds for material purchases or operational turnover.
- (3) "Strategic alliance cooperation projects" can be authorized by the board of directors according to the cooperation contract.
- (4) Other funds lending approved by the board of directors of the company.

Article 5: Interest Calculation

The company's funds lending should, in principle, refer to the lending rate in the financial market on the day of the loan to set the annual interest rate, but if the board of directors makes a different resolution, it should follow the board's decision. If it is a "strategic alliance cooperation project," the board of directors may be authorized to implement it according to the cooperation contract, without being subject to the interest calculation restrictions in the previous section.

Article 6: Fund Lending Procedure

1. Procedure and Review

(1) The company should have the borrower submit necessary company information and financial data and apply in writing for the financing amount. After receiving the application, the relevant department should review its necessity and reasonableness as per Article 4, prepare a report, submit it for approval by the general manager and chairman, and then submit it to the board of directors for approval before proceeding.

(2) The company may not proceed with lending funds to others without approval by the board of directors. It cannot authorize others to make the decision.

(3) For funds lent between the company and its parent or subsidiaries, or between subsidiaries, the board of directors should approve, and the chairman may be authorized to disburse or recycle the funds in installments or within one year up to a certain amount and limit.

(4) The “certain amount” mentioned above: except for funds lent between the company and its foreign subsidiaries in which it holds 100% of the voting shares, the authorized lending amount to a single enterprise by the company or its subsidiaries shall not exceed 10% of the most recent financial statements' net worth of that company.

(5) If the company has independent directors, when lending funds to others, the opinions of all independent directors should be fully considered, and their agreement or opposition, along with the reasons for opposition, should be recorded in the minutes of the board of directors.

2. Credit Investigation and Risk Evaluation

A detailed assessment and review should be made of the fund lending target. The evaluation should include at least the following:

(1) The necessity and reasonableness of lending funds to others.

(2) Credit investigation and risk assessment of the lending target.

(3) The impact on the company's operations, financial condition, and shareholders' equity.

(4) Whether collateral should be obtained and the evaluation of the collateral's value.

3. Collateral and Guarantees

(1) The company must obtain equivalent collateral when lending funds to others. If necessary, movable or immovable property may be mortgaged.

(2) If the board of directors decides that no collateral is needed, the previous provision may be waived.

Article 7: Subsequent Control Measures for Lent Amounts and Overdue Debt Handling Procedures

1. The company should establish a record book for reference and list the target, amount, approval date by the board of directors, disbursement date, and matters to be carefully evaluated according to this procedure for fund lending.
2. After the loan is disbursed, the borrower's and guarantor's financial, business, and credit conditions should be regularly monitored. If collateral is provided, its value should also be checked for changes. In case of significant changes, the chairman should be immediately notified, and appropriate actions should be taken according to instructions. The actions should be confirmed by the most recent board meeting.
3. When the borrower repays the loan on or before the due date, the interest payable should be calculated first, and the principal and interest should be repaid before the collateral (such as promissory notes) is canceled and returned to the borrower or the mortgage rights are released.
4. The company's internal audit staff should audit the fund lending procedures and execution at least quarterly and make written records. If major violations are found, they should immediately notify the audit committee and independent directors in writing.
5. If the lending target no longer complies with the criteria of this procedure or if the loan balance exceeds the limit due to changes in circumstances, the audit unit should urge the finance department to set up an improvement plan to recover the excess loaned funds. The company should submit the improvement plan to the audit committee and independent directors for approval, and complete the improvement according to the plan's schedule.

Article 8: Control Procedures for Subsidiary's Lending of Funds to Others

1. If a subsidiary of the company intends to lend funds to others, it should establish a "fund lending to others procedure" according to the regulations of publicly listed companies and the endorsement and guarantee handling guidelines, and obtain approval from its board of directors before sending it to the company's board of directors for consent. The same applies when modifying the procedure.
2. When the company's subsidiary lends funds to others, it should follow the "fund lending to others procedure" set by the subsidiary, and each month by the 5th, it should report the remaining loan balance, target, and duration from the previous month to the company in writing.
3. Subsidiaries located overseas should also refer to the laws of the local government for handling. If the publicly listed company's fund lending and endorsement and guarantee guidelines or this procedure conflict with the

local laws where the subsidiary is located, the local laws may take precedence.

4. If the company's subsidiary is not a publicly listed company, and its fund lending balance reaches the threshold for mandatory announcement by the competent authority, it should notify the company on the day the fact occurs, and the company will handle the public announcement.

Article 9: Public Announcement and Reporting

1. By the 10th of each month, the finance department should send the fund lending balance of the company and its subsidiaries from the previous month to the accounting department, along with the revenue for the month, to carry out public reporting within the specified time.
2. In addition to the monthly public announcement of fund lending balances, when the balance of funds lent by the company and its subsidiaries reaches any of the following standards, the finance department should report it within two days of the fact occurring:
 - (1) The total balance of the company and its subsidiaries' fund lending reaches 20% or more of the company's most recent financial statements' net worth.
 - (2) The total balance of fund lending to a single enterprise by the company and its subsidiaries reaches 10% or more of the company's most recent financial statements' net worth.
 - (3) The company or its subsidiaries increase the fund lending amount by more than NT\$10 million, which is more than 2% of the company's most recent financial statements' net worth.

The "fact occurrence date" refers to the contract signing date, payment date, board resolution date, or other dates that confirm the transaction target and amount, whichever comes first.

Public reporting refers to entering the information on the information reporting website designated by the Financial Supervisory Commission.

3. If a subsidiary of the company is not a domestic publicly listed company, and the subsidiary meets the conditions in section 3 of the previous paragraph for public reporting, the company will handle the reporting.
4. The company should evaluate the fund lending situation and set up sufficient provisions for bad debts, and appropriately disclose related information in the financial report. It should also provide relevant data to the auditor to perform necessary verification procedures.
5. If the public announcement or reporting procedures change due to legal changes or other regulations by competent authorities, those regulations shall apply.

Article 10: Penalties

If the company's managers or responsible personnel violate this procedure, they will be handled according to the company's personnel regulations and work rules, and penalties will be imposed based on the severity of the violation.

Article 11: Implementation and Revision

1. This procedure should first be approved by more than half of the audit committee members and then approved by the board of directors and reported to the shareholders' meeting for approval before implementation. The same applies for revisions. If it is not approved by more than half of the audit committee members, it may be approved by more than two-thirds of the directors, and the resolution of the audit committee should be recorded in the board meeting minutes. If any director has objections and has a written statement or record, the company should submit it for discussion at the shareholders' meeting.
2. If independent directors have been established, their opinions should be fully considered when the board discusses the issue. If independent directors have objections or reservations, those should be recorded in the minutes of the board meeting.
The term "audit committee members" and "directors" as used in the previous sections refers to those currently in office.

Article 12: Record of Revisions

1. This procedure was established on June 10, 1999.
2. The first revision was made on June 27, 2002.
3. The second revision was made on June 25, 2003.
4. The third revision was made on June 12, 2008.
5. The fourth revision was made on June 22, 2009.
6. The fifth revision was made on June 24, 2011.
7. The sixth revision was made on June 24, 2013.
8. The seventh revision was made on June 18, 2019.
9. The eighth revision was made on June 15, 2022.