

Article 1

The company shall comply with the Procedures as set forth below when lending to others parties. The procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the company shall comply with the "Regulations when lending funds to and endorsements/guarantees for others".

Article 2 The party to whom the company to lend funds

Under Article 15 of the Company Act, the company may lend its funds to any of its shareholders or any other person shall be limited to:

1. Companies having a business relationship with the Company; or
2. Companies in need of funds for a short-term period. For the purpose of the Procedures, "short-term period" shall mean one (1) year or one term of cycle (whichever is longer).

The term "short-term" as used in the preceding paragraph means one year, or where the company's operating cycle exceeds one year, one operating cycle.

Article 3 Evaluation conditions of lending funds to other parties

1. Company may lend it funds to whom have a business relationship, and it shall comply with Article 4.
2. Fund-lending to companies shall be limited to said companies that need working capital.
 - (1) Fund-lending to companies which need funds for a short-term period shall be limited subsidiaries in which the Company holds more than fifty percent (50%) of the voting shares.
 - (2) Fund-lending to companies or parties which need funds for a short-term period with purchasing or working capital.
 - (3) Or other fund-lending resolution approved by Board of Directors meeting.

Article 4 Lending limits for any borrower are set forth below

1. Total amount of fund-lending

The total amount available for fund-lending shall not exceed forty percent (40%) of the net worth of the company.

For the offshore companies that the company directly and indirectly owns 100% of the voting shares that engaged in lending funds to related subsidiaries, or offshore companies that directly and indirectly owns 100% of the voting shares. The amount of financing can exceed forty percent (40%) of the net worth of the lending company, but shall not exceed 10% of the company's net worth. The fund lending term must comply with the provisions of Article 7.

- (1) The total amount for lending to a company having a business relationship with the Company shall not exceed ten percent (10%) of the net worth of the Company.
- (2) The total amount for financing to a company or other parties for short-term working capital shall not exceed thirty percent (30%) of the net worth of the Company.

2. Lending limits of each individual

- (1) The total amount for lending to a company with business relationship shall not exceed the transaction amount between parties. For purposes of the Procedures, the “transaction amount” shall mean the sales or purchasing amount (between the parties, whichever is higher), and shall not exceed ten percent (10%) of the net worth of the Company.
- (2) The total amount of a company or other parties need financing for short-term capital lending shall not exceed ten percent (10%) of the net worth of the Company.
- (3) The amount of fund-lending and authorized to each borrower shall not exceed ten percent (10%) of the net worth of the Company by the Company or its subsidiaries.

The net worth is regarding to in these operating procedures refers to the balance sheet attribution stipulated in Regulations Governing the preparation of financial reports by Securities Issuers. The owner's equity in the parent company shall be based on the latest financial statements verified or reviewed by accountants.

Article 5 Operation department of Procedures

Unless otherwise herein provided, the Finance Division shall be responsible for the Fund-lending operation to others. .

Article 6 Resolution and authorization levels

1. The company should evaluate whether it comply with the provisions of these operating-procedures with condition before fund-lending to others. The evaluation results in accordance with Article 9 shall be submitted to the Board of Directors for resolution. It shall not authorize others to make decisions, including not to authorize others to make decisions after deciding on a certain amount to allocate loans in installments or use them on a recurring basis.
2. Fund lending between the company and its subsidiaries, or between its subsidiaries, shall be subject to a resolution of the Board of Directors in accordance with the provisions of the preceding resolution, and the Chairman of the Board may be authorized to make installments or revolving funds to the same party within a certain amount determined by the board of directors within a period but not exceeding one year.

Article 7 The term of fund-lending

The term of each fund-lending shall not exceed one year or one operating cycle (whichever is longer). However, if short-term financing is necessary, the period shall still be limited to one year, and the repayment period shall be extended by actual cash flow, or the repayment period shall be extended with the consent of the Board of Directors.

Article 8 Interest rate of Loan

Loan interest rate is subject to the Company's bank borrowing rate, and the minimum rate shall not be lower than the highest interest rate for short-term borrowings from financial institutions by the company. Unless otherwise specified on the calculation of loan interest, interests shall be

calculated on a monthly basis, and the borrower will be notified to pay interest within one week from the agreed interest payment date. In case of special circumstances, adjustments may be made based on actual conditions with the approval of the board of directors. However, if the funds are loaned to 100% owned subsidiaries of the Company, interest will not be accrued.

Article 9 The review process should include following

1. The necessity and rationality of lending funds to others.
2. Credit reference and risk assessment of the loan counter party.
3. Impact on the company's operational risks, financial status and shareholders' equity.
4. Whether collateral should be obtained and the estimated value of the collateral.
5. Whether the applied loan amount, accumulated loan balance and other matters shall comply with regulations.

Article 10 Application procedures of fund lending

1. Application

When a borrower applies for a loan from our company, borrowers shall issue an application form or letter detailing the loan amount, term, purpose, provision of guarantee, and attaching necessary financial and guarantee information. The financial department personnel shall explain the purpose of the funds, business operations, and Investigate and evaluate financial status, solvency and credit, etc.

2. Evaluate/Review

Finance Division shall facilitate the evaluation in necessity according to the "Article 9" and issue an evaluation report. When a borrower provides a guarantor, Finance Division shall take the guarantor's credit checking into consideration when conducting the loan evaluation.

3. Loan Approval

(1) After evaluation, if the borrower has poor credit or the loan is not used for the appropriate purpose and does not intend to lend, the handling personnel should politely reject the loan application and require the Chairman of the Board for approval before replying to the borrower as soon as possible.

(2) For cases where the review results show that the credit is good and the loan purpose is legitimate, the handling personnel should fill in the review report and formulate loan conditions by complied by Procedures, then submitted, together with the credit evaluation to Chairman of Board for approval and then to the Board of Directors approval resolution.

(3) Except for subsidiaries, if the total liabilities of the borrower exceed the total assets, the application will not be accepted; however, if the company acquire collateral of considerable value by borrower, it can be processed as appropriate.

4. Notify to borrower

After the loan conditions are approved, the handling personnel should email a letter or phone to the borrower as soon as possible, detailing the company's loan conditions, including the limit period, interest rate, collateral and guarantor, etc., and ask the borrower to sign a contract within the time limit and complete the guarantee quality (deductibility).) After the mortgage is

established and the guarantor completes the security procedures, the funds will be allocated.

5. Contract signing and guarantee

(1) For loan cases, a guaranteed promissory note of the same amount should be obtained, and the terms of the loan contract should be drafted by legal personnel, which should be reviewed by the supervisor and, if necessary, the legal advisor should be consulted for advice before the signing procedures are completed.

(2) The content of the contract should be consistent with the approved loan conditions. After the borrower and the joint guarantor sign the contract, the handling personnel should complete the guarantee procedures.

(3) When signing promissory notes and loan contracts with the borrower, the company seal and the person in charge's seal registered with the competent authority shall be used as proof.

(4) If a company is used as a guarantee, attention should be paid to whether its articles of association contain clauses that allow it to be used as a guarantee.

6. Collateral rights setting

If there is collateral in the loan case, the borrower should provide the collateral and a collateral appraisal report from an impartial third party, and go through the procedures for setting up a pledge or mortgage to ensure the company's creditor's rights.

7. Insurance

(1) Except for land and securities, all collateral should be insured with property insurance, for vehicles, comprehensive insurance shall be procured. The insurance amount should not be less than the value set by the collateral pledge. The insurance policy should be marked with the company's, for the beneficiary, the name, quantity, and location of the subject matter stated in the policy should be consistent with the company's original loan conditions. If the building has not been assigned a house number when it is set up, its address should be the location and land number.

(2) The handling personnel should pay attention to inform the borrower to continue to purchase insurance before the expiration of the insurance period.

8. Appropriation

Once the loan case is approved and the borrower signs the loan contract and promissory note, and the collateral mortgage (pledge) setting registration, insurance and other procedures are verified to be correct, the funds can be allocated.

Article 11 Repayment

1. When a borrower repays loan when the loan is due or before it is due, company should calculate the interest payable and repay the principal before cancel the promissory note and other debt certificates and cancel the pledge setting and the mortgage before return collateral to Borrower.

2. If the borrower applies to cancel the mortgage or the pledge setting, it should be check the outstanding/balance loan before deciding whether to agree to the application.

3. 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. Each extension of repayment shall not exceed six months and shall be limited to the second time. In case of violation, the company may require the collateral or guarantor provided by borrowers, disciplinary action and recovery will be

carried out in accordance with the law, but short-term financing is limited to one year.

Article 12 Follow-up the control measures for loaned amounts and procedures for handling overdue claims

1. Continuous credit investigation: After the loan is disbursed, you should always pay attention to the financial, business and credit status of the borrower and the guarantor. If any collateral is provided, you should also pay attention to whether there is any change in the value of the guarantee. If there are any major changes, handling personnel should immediately notify the Chairman, and handle it appropriately according to instructions.
2. Arrangement and storage of case files: For the cases they handle, loan case handlers should sort out the bonds, promissory notes and other debt certificates, as well as collateral certificates, insurance policies, and transaction documents in order and put them into safekeeping bags after appropriating funds. After marking the contents of the bag and the name of the customer, submit it to the supervisor of the financial unit for inspection. Once the inspection is correct, it will be sealed. The seal of the person in charge and the supervisor will be stamped on the seam. The bag will be kept by the Finance Division after the storage book is released.
3. The capital loan should be evaluated and adequate provisions for bad debts should be made, relevant information should be properly disclosed in the financial report, and relevant information should be provided to the certified CPA to made necessary verification procedures.

Article 13 Create a review book

When a company handles capital fund-lending matters, it should establish a record book, specifying the object of the capital loan, the amount, the date of approval by the Board of Directors, the date of the fund loan, and the details of matters that should be carefully evaluated in accordance with these operating procedures and posted for future reference.

Article 14 Internal audit

Internal auditors should audit the operating procedures and implementation of fund-lending to others at least quarterly, and keep written records. If there any major violations are discovered, the Audit Committee should be notified in writing immediately.

Article 15

Due to the unexpected change of company and a borrower no longer meet the criteria set forth in the relevant regulations or the amount of fund-lending exceeds the limit, the Finance Division should establish an improvement plan, submit the relevant improvement plan to the Audit Committee, and complete the improvement according to the planned schedule.

Article 16 Information disclosure

The company shall, before the 10th of each month, announce and report the loan balance and balance of funds of the company and its subsidiaries for the previous month. If the company's loan

balance reaches one of the following standards, it shall make an announcement and report within two days from the date of occurrence:

1. The balance of funds loaned by the company and its subsidiaries to others reaches more than 20% of the net value of the company's most recent financial statements.
2. The balance of fund-lending by the company and its subsidiaries to a single enterprise reaches more than 10% of the net value of the company's most recent financial statement.
3. The amount of new fund-lending of the company or its subsidiaries exceeds NT\$10 million and exceeds 2% of the net value of the company's most recent financial statements. If the company's subsidiaries are not domestic public companies, if the subsidiary has matters that should be announced and reported in paragraph 3 of the preceding paragraph, the company shall handle them. The so-called fact-occurring date refers to the earlier of the signing date, payment date, board resolution date or other date sufficient to determine the object and amount of the fund loan.

Article 17 Control procedures for lending funds of subsidiaries to others

Fund lending to subsidiaries should be handled in accordance with these operating procedures. Except for the exemption of signing contracts, guarantees and rights setting, the remaining loan limits are the same as those of other companies. If company's subsidiary contemplating fund-lending to others, it should be established the "Operating Procedures for Loaning Funds to Others"; the procedures should be established in accordance with the relevant provisions to operate fund-lending procedures, and mandated such as Company's procedures

Article 18 Penalties

If the company's managers and relevant personnel violate the " Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies " or the provisions of these operating procedures, thereby damaging the company's rights and interests, they will be punished or adjusted it position in accordance with the regulations of the competent authority and the company.

Article 19

Matters not covered in this procedure shall be handled in accordance with relevant laws and regulations of the Company. If the competent authority modifies the "Criteria for the Handling of Fund Loans and Endorsement Guarantees of Publicly Offered Companies" when the original order is revised, the Company shall refer to its new order stipulates.

Article 20

The procedures should be approved by the Audit Committee, the Board of Directors, and the shareholders' meeting for approval. If any director expresses objections and has a record or written statement, the company shall submit his objections to the audit committee and submit them to the Shareholders' Meeting. The same procedures when company making amendments.

When submitting this operating procedure to the Board of Directors for discussion in accordance with regulations, the opinions of each independent director should be fully considered. If the independent directors have any objections or reservations, they should be stated in the minutes of the board meeting. The establishment or amendment of these operating procedures must be approved by more than half of all members of the Audit Committee and submitted to the Board of Directors for resolution. If there is no consent from more than one-half of all members of the Audit Committee, it may be carried out with the consent of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. All members of the audit committee referred to in the preceding paragraph and all directors referred to in the preceding paragraph shall be calculated based on those who are actually in office.

Article 21

These Procedures for Lending Funds to Other Parties was established on June 30, 2004.

The first amendment was approved on June 30, 2004.

The second amendment was approved on May 22, 2009.

The third amendment was approved on June 26, 2012.

The fourth amendment was approved on April 23, 2013.

The fifth amendment was approved on June 12, 2014.

The sixth amendment was approved on June 25, 2019.

-----Disclaimer-----

THIS IS A TRANSLATION OF PROCEDURES FOR ACQUISITION OR DISPOSAL OF ASSETS OF ADVANCED OPTOELECTRONICS TECHNOLOGY INC. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.