# Gamania Digital Entertainment Co., Ltd.

## Operational Procedures for Loaning Funds to Others and Making Endorsements/Guarantees

### Article 1: Purpose and Legal Basis

To define operational procedures regarding fund loans and endorsements/guarantees made by the Company, these Operational Procedures are formulated in strict compliance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

### Article 2: Definitions of Parent Company, Subsidiary, and Net Worth

The terms "subsidiary" and "parent company" herein shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For public companies preparing financial statements under International Financial Reporting Standards (IFRSs), "net worth" herein refers to equity attributable to owners of the parent in the balance sheet prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Article 3: Announcement and Date of Occurrence

"Public announcement and filing" herein refers to entering information into the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" herein refers to the date of contract signing, payment, board resolution, or other dates that can definitively determine the counterparty and amount of fund loan or endorsement/guarantee, whichever is earlier.

### Article 4: Reasons and Necessity for Fund Loans

The Company's funds shall not be loaned to shareholders or any other parties, except under the following circumstances:

1. Entities having business transactions with the Company.
2. Entities having short-term financing needs with the Company.

"Short-term" refers to a period of one year or one operating cycle (whichever is longer).

Other corporate entities or organizations meeting funding conditions (hereinafter referred to as "borrowers") shall apply for loans in accordance with these Operational Procedures.

### Article 5: Application for Fund Loans

When a borrower applies for a loan, handling staff shall conduct preliminary contacts to understand its funding purpose, recent business, and financial conditions. If feasible, written records shall be prepared and submitted through hierarchy levels to the Chairman and presented to the Board of Directors for resolution.

Where independent directors are appointed, opinions of all independent directors shall be fully considered when loaning funds to others, and their consenting or dissenting opinions and reasons shall be recorded in the board meeting minutes.

## Article 6: Aggregate Limits and Individual Limits for Fund Loans

1. **Business Transaction Basis:** Where fund loans are made due to business transaction relationships between companies, the aggregate loan amount shall not exceed 30% of the Company's net worth. The total loan limit for a single enterprise shall not exceed 15% of the Company's net worth.
2. **Short-Term Financing Basis:** Where fund loans are made due to short-term financing needs, the aggregate loan amount shall not exceed 30% of the Company's net worth. The total loan limit for a single enterprise shall not exceed 15% of the Company's net worth. However, fund loans between foreign companies in which the Company directly and indirectly holds 100% of voting shares, or fund loans made to the Company by a foreign company in which the Company directly and indirectly holds 100% of voting shares, are excluded from this limit.
3. **Loans Between Parent and Subsidiaries or Among Subsidiaries:** The Board of Directors may authorize the Chairman to approve installment drawdowns or revolving lines for the same borrower within a specific limit resolved by the Board and for a duration not exceeding one year. Except for those meeting Subparagraph 2 of Paragraph 1, the authorized limit for fund loans made by the Company or its subsidiaries to a single enterprise shall not exceed 10% of the company's net worth in its most recent financial statements.

## Article 7: Evaluation Criteria for Fund Loans

1. **Business Transactions:** Loans shall not exceed the cumulative total amount of business transactions between the parties in the current fiscal year or the preceding fiscal year.
2. **Short-Term Financing Needs:** Refers to the following circumstances: (1) Necessary to maintain normal company operations. (2) Other circumstances approved by the Board of Directors.

## Article 8: Interest Rate and Calculation

Interest rates shall refer to the base lending rate of the Bank of Taiwan, with interest collected monthly in principle.

## Article 9: Credit Investigation for Fund Loans

1. Borrowers applying for fund loans shall submit an application letter or official letter detailing loan amount, term, purpose, and collateral details. Borrowers must provide basic and financial data for credit investigation.
2. For loan renewals, credit investigations shall be conducted annually in principle. Major cases shall be investigated as actually needed.

## Article 10: Loan Approval Procedures

For borrowers with favorable credit ratings, legitimate loan purposes, necessary borrowing needs, and clear repayment capability based on credit investigation results, handling staff shall compile credit reports and impact opinions (including operational risks, financial status, and shareholder equity), draft lending terms, submit them through hierarchy levels to the Chairman, and present them to the Board of Directors for resolution. If deemed necessary by the Board, the borrower shall provide collateral equivalent to the credit line, with values evaluated by relevant units, or provide personal/corporate guarantees with equivalent financial capacity to ensure complete debt protection.

## Article 11: Notification to Borrowers

Upon loan approval, handling staff shall promptly notify the borrower in writing or by phone, detailing the Company's lending terms (including limit, term, interest rate, collateral, and guarantors), requesting the borrower to sign the contract within the specified timeframe.

## Article 12: Contract Execution Procedures

1. Handling staff shall draft the loan contract, which shall be reviewed by supervisors before contract signing.
2. Contract terms must match approved lending conditions. If joint guarantors are required, handling staff shall complete guarantor verification procedures.

## Article 13: Guarantor Qualifications and Liabilities

1. Possessing sufficient creditworthiness, favorable commercial reputation, and no adverse records.
2. Joint guarantors shall bear joint and several repayment liabilities if the borrower fails to perform debt obligations.

## Article 14: Collateral Pledge and Mortgage Registration

1. Where lending conditions require collateral, the borrower shall provide collateral and complete pledge or mortgage registration procedures to secure the Company's claims.
2. Contracts shall specify collateral registration, interest calculation, and repayment methods. All application files shall be properly archived and retained.

## Article 15: Insurance Requirements for Collateral

1. Except for land and marketable securities, collateral must be insured against fire. Vehicles and vessels must be fully insured. Insurance amounts shall not be lower than the collateral mortgage value, with the Company named as the beneficiary. Target object name, quantity, location, insurance conditions, and endorsements on the policy must match approved lending conditions. Unnumbered new buildings shall be identified by land section and plot number.
2. Handling staff shall notify borrowers to renew insurance coverage prior to policy expiration.

## Article 16: Loan Disbursement Requirements

Disbursements shall be executed after loan approval, contract signing, and verification that all required procedures and documents are complete and error-free.

## Article 17: Loan Repayment Notes

1. Post-disbursement, handling staff shall monitor financial, business, and credit conditions of borrowers and guarantors, as well as collateral value fluctuations.
2. Upon loan maturity, payable interest shall be calculated and settled together with principal before returning collateral to the borrower.

## Article 18: Lending Duration

For entities with short-term financing needs, loan terms shall not exceed one year or one operating cycle (whichever is longer) per loan. Entities with business transactions may apply for extensions subject to Board approval. However, if borrower business deteriorates and finances cannot sustain obligations, early repayment may be demanded at any time. Fund loans between foreign companies 100% directly and indirectly owned by the Company are excluded from this duration limit, but shall still comply with limits and terms under Articles 6 and 8.

## Article 19: Scope of Delegation

Fund loans to others shall be resolved by the Board of Directors and shall not be delegated to individuals. However, for fund loans between the Company and subsidiaries, or among subsidiaries, the Board may authorize the Chairman to approve installment drawdowns or revolving lines for the same borrower within a specific limit resolved by the Board and for a duration not exceeding one year.

## Article 20: Post-Loan Monitoring and Overdue Claim Handling

1. Post-disbursement, financial, business, credit, and collateral conditions shall be continuously monitored. Significant changes shall be immediately reported to the Chairman for appropriate action. Prior to maturity, borrowers shall be notified to settle principal and interest or apply for extensions.
2. The Finance Department shall maintain a log book recording loan targets, amounts, Board approval dates, disbursement dates, and evaluation items under these Procedures. Loan statuses shall be compiled and submitted to the Board and relevant units.
3. The Accounting Department shall evaluate fund loan statuses, set aside adequate allowances for bad debts, disclose information in financial reports, and provide data to CPAs for audit procedures.
4. Internal auditors shall audit execution quarterly, prepare written records, and promptly notify the Audit Committee and independent directors in writing of any material violations.
5. For overdue debts that remain uncollected after demand, legal proceedings shall be initiated immediately to safeguard Company rights.

## Article 21: Public Announcement and Filing Procedures for Fund Loans

1. Monthly loan balances of the Company and subsidiaries as of the end of the previous month shall be publicly announced and filed by the 10th of each month.
2. Public announcements and filings shall be made within two days starting from the date of occurrence if loan balances reach any of the following standards: (1) Aggregate loan balance of the Company and subsidiaries reaches 20% or more of the Company's net worth in its most recent financial statements. (2) Loan balance to a single enterprise reaches 10% or more of the Company's net worth in its most recent financial statements. (3) New loan amount by the Company or its subsidiaries reaches NT$10 million or more and 2% or more of the Company's net worth in its most recent financial statements.

Where non-publicly listed subsidiaries reach disclosure standards, the Company shall announce and file on their behalf.

## Article 22: Scope of Endorsements/Guarantees

"Endorsements/guarantees" herein includes financing endorsements/guarantees, customs duty endorsements/guarantees, and other endorsements/guarantees.

Financing endorsements/guarantees refer to customer note discount financing, endorsements/guarantees made for other companies' financing purposes, and notes issued to non-financial enterprises as collateral for the Company's financing purposes. Customs duty endorsements/guarantees refer to endorsements/guarantees made for customs duty matters of the Company or other companies. Other endorsements/guarantees refer to those that cannot be categorized into the preceding two types.

## Article 23: Eligible Targets for Endorsements/Guarantees

Endorsements/guarantees may be provided for entities meeting the following conditions:

1. Companies having business transactions with the Company.
2. Companies in which the Company directly and indirectly holds more than 50% of voting shares.
3. Companies holding more than 50% of voting shares in the Company directly and indirectly.

Endorsements/guarantees may be provided between companies in which the Company directly and indirectly holds 90% or more of voting shares, capped at 10% of the Company's net worth. However, endorsements/guarantees between companies 100% directly and indirectly owned by the Company are excluded from this cap.

Mutual guarantees between entities in the same industry under contract for project construction needs, or endorsements/guarantees made by capital-contributing shareholders to investee companies proportionally to shareholdings due to joint investment, are exempt from the limitations under the preceding two paragraphs.

## Article 24: Aggregate Limits and Individual Limits for Endorsements/Guarantees

The Company's total external endorsement/guarantee limit shall not exceed 100% of its net worth in its most recent financial statements. The endorsement/guarantee limit for a single enterprise shall not exceed 10% of the Company's net worth in its most recent financial statements and shall not exceed the paid-in capital of the endorsed company, unless the target is a company in which the Company directly and indirectly holds over 50% of voting shares.

Aggregate endorsement/guarantee limits for the Company and its subsidiaries combined shall not exceed 100% of the Company's net worth in its most recent financial statements; the limit for a single enterprise shall not exceed 10% of the Company's net worth.

If aggregate endorsements/guarantees of the Company and subsidiaries reach 50% or more of net worth, necessity and reasonableness shall be explained at the Shareholders' Meeting.

For subsidiary endorsement targets whose net worth is lower than half of paid-in capital, financial statements shall be reviewed quarterly and financial improvement plans requested. For subsidiaries with no-par-value shares or par value other than NT$10, paid-in capital shall be calculated as share capital plus capital surplus - share issue premium.

## Article 25: Evaluation Criteria for Endorsements/Guarantees

For endorsements/guarantees based on business transactions, endorsement amounts shall not exceed the cumulative transaction amount in the preceding fiscal year between the parties.

## Article 26: Decision-Making and Authorization Levels

1. Endorsements/guarantees shall be submitted for sign-off under Article 28 and approved by Board resolution. For time-sensitive needs, the Board may authorize the Chairman to approve amounts up to NT$30 million (inclusive) in advance (unlimited if the target is a company over 50% directly/indirectly owned), subject to subsequent Board ratification. Before subsidiaries 90% owned directly/indirectly provide endorsements/guarantees under Paragraph 2 of Article 23, board approval of the Company is required, except between 100% owned companies.
2. Where endorsements/guarantees must exceed prescribed limits for operational needs and meet conditions, Board approval is required with more than half of directors signing joint guarantees for potential losses. Operational procedures shall be amended and ratified by the Shareholders' Meeting; if disapproved, a plan shall be drafted to eliminate excess amounts within a specific timeframe.

Opinions of independent directors shall be fully considered during Board discussions and recorded in minutes.

## Article 27: Seal Custody and Procedures

1. The Company seal registered with the Ministry of Economic Affairs shall serve as the dedicated seal for endorsements/guarantees. Custody personnel shall be authorized by the Board. Seal custodian changes shall be approved by the Board, and handover recorded.

2. After Board approval or Chairman authorization, the Finance Department shall present approval records, contracts, or guarantee notes signed off by the Chairman to affix seals with the seal custodian.
3. The custodian shall verify approval records and documents before stamping.

## Article 28: Procedures for Handling Endorsements/Guarantees

1. Upon application, qualifications and limits shall be verified. Operations, finances, credit, necessity, reasonableness, and risks shall be analyzed, recording operational risk, financial status, and shareholder equity impacts. Collateral shall be obtained when necessary. Detailed reports shall be submitted to the Chairman and approved by the Board. Within authorized limits, the Chairman approves based on credit ratings. Foreign guarantees shall be signed by Board-authorized persons.
2. The Finance Department shall maintain a log book detailing targets, amounts, approval dates, endorsement dates, and evaluation items, archiving note/contract copies securely.
3. Monthly lists of issued and cancelled guarantees shall be compiled for tracking. Contingent losses shall be evaluated quarterly, disclosed in financial reports, and provided to CPAs.
4. If targets become ineligible or amounts exceed limits due to circumstance changes, improvement plans shall be sent to the Audit Committee and independent directors.
5. Prior to guarantee expiration, the Finance Department shall notify endorsed entities to retrieve guarantee notes from banks/creditors and cancel contracts.
6. Internal auditors shall audit execution quarterly, prepare written records, and promptly notify the Audit Committee and independent directors in writing of material violations.

## Article 29: Announcement and Filing Procedures for Endorsements/Guarantees

1. Monthly endorsement balances of the Company and subsidiaries as of the end of the previous month shall be publicly announced and filed by the 10th of each month.
2. Public announcements and filings shall be made within two days starting from the date of occurrence if endorsement balances reach any of the following standards: (1) Aggregate endorsement balance of the Company and subsidiaries reaches 50% or more of the Company's net worth in its most recent financial statements. (2) Endorsement balance to a single enterprise reaches 20% or more of the Company's net worth in its most recent financial statements. (3) Endorsement balance to a single enterprise reaches NT10millionormore,andthesumofendorsementbalance,equity−methodinvestmentcarryingamount,andfundloanbalancereaches30(4)Newendorsementamountbythe CompanyorsubsidiariesreachesNT30 million or more and 5% or more of the Company's net worth in its most recent financial statements.

Where non-publicly listed subsidiaries reach disclosure standards, the Company shall announce and file on their behalf.

3. Contingent losses shall be evaluated/recognized and disclosed in financial reports, providing data to CPAs for audit procedures.

## Article 30: Miscellaneous

1. Control procedures for fund loans and endorsements/guarantees to subsidiaries shall follow these Procedures.
2. Subsidiaries intending to loan funds or make endorsements/guarantees shall enact procedures per the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

## Article 31: Penalties

Managers and handling staff failing to comply with these Procedures during fund loans or endorsements/guarantees, resulting in losses to the Company, shall bear compensation liabilities to the Company.

## Article 32: Effective Date and Amendments

1. Enactment of these Procedures shall be approved by Board resolution, submitted to the Audit Committee, and presented to the Shareholders' Meeting for approval. Dissenting director records/statements shall be submitted to the Audit Committee and Shareholders' Meeting; the same applies to amendments.
2. Opinions of independent directors shall be fully considered during Board discussions and recorded in minutes.
3. Uncovered matters shall be amended in a timely manner pursuant to applicable regulations.