



V5 TECHNOLOGIES CO., LTD.

Management of Loans to Others

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Item No.	Amendment Date	Page No.	Version	Content Summary	Editor
1	Apr 30, 2024	4	V01	First Edition	吳香蘭
2	Jun 24, 2025	4	V02	Cooperate with the company to establish an audit committee, delete the paragraph about supervisors, and revise the content according to laws and regulations and operational needs.	黃立彬

Review, Approval, and Issuance

Department	Editor	Reviewer	Approver	Department	Document Controller
Name	黃立彬	Approval and review documentation for this regulation is recorded in the minutes of the Board of Directors and the Shareholders' Meeting.		Name	饒芙萍
Date	Mar 10,2025			Date	Jun 24, 2025
Remarks					

Article 1: Purpose and Basis

When the Company lends funds to other persons, it shall do so in accordance with the provisions of these operating procedures.

Article 2 : Parties Eligible for Lending

Pursuant to Article 15 of the Company Act, the Company shall not lend funds to any shareholder or other person except under the following circumstances:

1. Where are business transactions between the Company and another company or proprietorship.
2. Where short-term financing is necessary between the Company and another company or proprietorship; in such cases, the total amount of financing shall not exceed forty percent (40%) of the net worth of the borrowing enterprise.

The term “short-term” as stated above shall refer to a period of one year. However, if the operating cycle of the enterprise exceeds one year, the operating cycle shall apply.

The term “financing amount” referred to in subparagraph 2 above shall mean the accumulated outstanding balance of the Company’s short-term financing to the borrowing enterprise.

Lending funds between the Company and foreign companies in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares, or lending of funds from such foreign companies to the Company, shall not be subject to the restriction in subparagraph 2 above. Nevertheless, such transactions shall be governed by the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" prescribed by the securities competent authority, and the Company shall establish limits on the aggregate amount, individual counterparty limits, and terms of lending in its internal operating procedures.

Article 3 : Lending Limits Aggregate and Individual Counterparties

The total amount of funds lent by the Company shall not exceed forty percent (40%)

of the Company's net worth, as stated in the most recent financial statements audited or reviewed by a certified public accountant.

Limits for lending to individual counterparties shall be determined based on the following circumstances:

1. Where there is business interaction between the Company and another company or sole proprietorship: If lending is conducted due to business relationships, the lending amount shall not exceed the total transaction value between the parties in the most recent fiscal year (calculated based on the higher of total purchases or sales), and shall also not exceed ten percent (10%) of the Company's net worth as stated in the most recent audited or reviewed financial statements.
2. Where short-term financing is necessary between the Company and another company or sole proprietorship: The amount lent shall not exceed ten percent (10%) of the Company's net worth as stated in the most recent audited or reviewed financial statements.

Article 4 : Term and Interest Calculation for Lending of Funds

Each lending transaction shall have a maximum term of one year. The interest rate shall not be lower than the rate for short-term borrowings offered by financial institutions, and interest shall be calculated on a monthly basis.

The aforementioned term limitation shall not apply to lending transactions conducted between the Company and foreign subsidiaries in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares. However, the interest rate shall remain not less than the rate for short-term borrowings offered by financial institutions and shall also be calculated on a monthly basis.

Article 5 : Application Procedure and Credit Investigation

Borrowers applying for loans from the Company shall submit a loan application specifying the loan amount, term, purpose, and collateral arrangements. Applicants shall also provide basic corporate information and financial statements for the Company to conduct credit investigations.

The Company shall review the submitted information in detail, including assessing the necessity and reasonableness of the loan, conducting credit and risk evaluation of the borrower, analyzing the impact on the Company's operational risks, financial condition, and shareholders' equity, and determining whether collateral is required as well as evaluating the collateral's value.

Article 6 : Collateral and Security Interests

When a borrower applies for a loan in accordance with the preceding article, the borrower shall, except for subsidiaries in which the Company directly or indirectly holds more than ninety percent of the voting shares, provide promissory notes, collateral, and/or other forms of security as requested by the Company in an amount equivalent to the loan amount. In cases where collateral is provided, the borrower shall complete the necessary procedures for establishing pledge and/or mortgage rights to secure the Company's claims.

Article 7 : Post-Lending Controls and Overdue Claim Handling Procedures

After disbursement of a loan, the finance department shall periodically assess the financial and credit status of the borrower and any guarantor (if applicable). In the event of overdue claims that remain uncollected despite collection efforts, the Company shall initiate further recovery measures against the debtor to safeguard the Company's interests.

Article 8 : Loan Approval by the Board of Directors

Prior to lending funds to any party, the Company shall carefully assess compliance with applicable laws and regulations prescribed by the relevant competent authorities, as well as the provisions of this operating procedure. The results of the evaluations conducted under Articles 5 and 6 shall be submitted to the Board of Directors for resolution. No person shall be authorized to approve such lending decisions on behalf of the Board.

Fund lending between the Company and its subsidiaries, or between subsidiaries, shall be handled in accordance with the preceding paragraph and submitted to the Board of Directors for approval. The Board may authorize the Chairman to make disbursements on a revolving basis or in installments to the same borrower, within the amount approved by the Board and within a period not exceeding one year.

Except for cases that meet the conditions specified in Article 2, Paragraph 4, the authorized lending limit granted by the Company or any subsidiary to a single enterprise shall not exceed ten percent (10%) of such company's net worth, as stated in the most recent financial statements audited or reviewed by a certified public accountant.

When the Company's fund lending to another party is deliberated by the Board of Directors in accordance with these provisions, full consideration shall be given to the opinions of the independent directors. Any explicit consent or dissenting opinion, along with the reasons for any dissent, shall be clearly recorded in the minutes of the Board meeting.

Article 9 : Announcement and Reporting Procedures

The Company shall, by the tenth day of each month, enter the previous month's balances of fund lending by the Company and its subsidiaries into the Market Observation Post System.

In the event that any of the following thresholds are met, the Company shall input the relevant information into MOPS within two days from the date of occurrence:

1. The aggregate amount of fund lending by the Company and its subsidiaries to other parties equals or exceeds twenty percent (20%) of the Company's net worth as stated in the most recent financial statements audited or reviewed by a certified public accountant.
2. The amount of fund lending by the Company and its subsidiaries to a single enterprise equals or exceeds ten percent (10%) of the Company's net worth as stated in the most recent financial statements audited or reviewed by a certified public accountant.

3. The newly added amount of fund lending by the Company or its subsidiaries equals or exceeds NT\$100 million and at the same time equals or exceeds two percent (2%) of the Company's net worth as stated in the most recent financial statements audited or reviewed by a certified public accountant.

If a subsidiary of the Company is not a domestic publicly listed company and triggers the circumstances specified under Item 3 above, the reporting obligation shall be undertaken by the Company on behalf of such subsidiary.

The Company shall evaluate the status of fund lending and provide an appropriate allowance for doubtful accounts. Relevant information shall be properly disclosed in the Company's financial reports and furnished to the certifying public accountant for the execution of necessary audit procedures.

Article 10 : Supervisory Procedures for Subsidiary Lending to External Parties

If any subsidiary of the Company intends to lend funds to other parties, it shall be instructed to establish a "Procedures for Lending of Funds to Others" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," and shall process such lending activities strictly in compliance with the established procedures. The net worth for calculating relevant thresholds shall be based on the most recent financial statements of the respective subsidiaries.

Each subsidiary shall compile a detailed report listing its fund lending to other parties for the previous month and submit it to the Company for record-keeping by the fifth day of each month.

Article 11 : Recordkeeping

Following the resolution of the Board of Directors, the Company shall record in detail the following information in the registry: the recipient of the loan, the loan amount, the date of the Board resolution, the date the funds are loaned, any collateral provided, and matters that must be prudently evaluated in accordance with the review procedures.

Article 12 : Internal audit

The Company's internal audit personnel shall audit the procedures and implementation status of fund lending to others at least once per quarter. Written records shall be prepared for each audit. If any material violation is discovered, the internal audit personnel shall immediately notify all members of the Audit Committee in writing.

Article 13 : Corrective Measures

In the event of changes in circumstances resulting in the loan recipient no longer complying with applicable laws or the provisions of these procedures, or if the loan balance exceeds the prescribed limit, the Company shall formulate a corrective plan. The plan shall be submitted to all members of the Audit Committee and the corrective actions shall be completed in accordance with the timeline set forth in the plan.

Article 14 : Punishment

If any managerial or responsible personnel of the Company violate the relevant laws and regulations prescribed by competent authorities or the provisions of these procedures, the Company shall impose disciplinary actions or adjust their duties in accordance with the applicable regulations of the competent authorities and the Company.

Article 15 : Miscellaneous

The term "subsidiary" as used in these procedures shall be defined in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

The Company's financial reports are prepared in accordance with International Financial Reporting Standards. The term "net worth" as used in these procedures refers to the equity attributable to owners of the parent company as presented in the balance sheet, in accordance with the aforementioned regulations.

The term “public announcement and filing” as used in these procedures refers to the input of information into the website designated by the Financial Supervisory Commission.

The term “date of occurrence” as used in these procedures refers to the earlier of the contract signing date, payment date, date of board resolution, or any other date sufficient to determine the loan recipient and amount.

Article 16 : Implement & revision

The adoption or amendment of these operating procedures shall be subject to the prior consent of more than one-half of all members of the Audit Committee and shall be approved by resolution of the Board of Directors, followed by approval at the shareholders’ meeting before implementation.

If consent of more than one-half of all members of the Audit Committee is not obtained, the adoption or amendment may proceed with the consent of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

If any director expresses dissent and provides a written statement or a recorded objection, the Company shall submit such dissent to the shareholders’ meeting for discussion. The same procedure applies in the case of amendments.

The term “all members” of the Audit Committee and “all directors” as referred to in this Article shall be calculated based on actual incumbents.

Any matters not provided for in these operating procedures shall be handled in accordance with applicable laws and regulations.

These operating procedures were adopted following shareholder approval on April 30, 2024.

These operating procedures were amended following shareholder approval on June 24, 2025.