

# Bora Pharmaceuticals Co., Ltd.

## Procedure for Lending Funds to Other Party

### Article 1 Purpose and legal basis

The procedure is established to ensure the Company's fund lending procedure is followed. This procedure is established in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies". If there is unaccomplished matter, please follow "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".

### Article 2 Scope

In accordance with Article 15 of the Company Act, the Company shall not lend to shareholder or any other person except for the following circumstance:

1. Companies having a business relationship with the Company;
2. For companies in need of funds for short-term period, total lending amount shall not exceed 40% of the net worth of the Company.

The aforementioned "short-term period" means the longer of one year or one operating cycle. "Lending amount" means the cumulative amount of the Company's short-term lending amount.

For fund-lending between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, or fund-lending to the Company by offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the total amount for such fund-lending shall be subject to the limit of 100% of the net worth of the Company, not restricted by paragraph 1 subparagraph 2. However, when subsidiaries engage in the aforementioned fund lending, they shall still establish total limits and individual limits for the objects of fund lending, and specify the term of fund lending.

The Company and its subsidiary shall follow the "Regulations Governing the Preparation of Financial Reports by Securities Issuers". The Company's financial reports is prepared in accordance with the International Financial Reporting Standards. The "net worth" mentioned in this procedure means the equity attributable to shareholders of the parent in the balance sheet in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers". The latest financial report means the Company's latest financial reports audited or reviewed by the certified public accountant in accordance with local regulation. When the Company's person in charge violates the Article 1, person in

charge has the joint return responsibility with the borrower. If the Company incurs damage, person in charge will be held responsible for liability for damage.

#### Article 3 Reason and necessity of fund lending

If the Company engages in lend funding with other companies due to business relationship, Article 4, Paragraph 2 should be followed. Short term funding is limited to the following circumstance:

1. Companies that need funds for a short-term period due to business need which the Company directly or indirectly holds more than 50% of the voting shares.
2. Companies that need funds for a short-term period due to purchasing materials or operating turnover.
3. The Company obtains collateral or guarantees and submits the evaluation results to the Board of Directors for review and approval.

#### Article 4 Total lending amount and the lending limit for individual company

1. The Company's total lending amount shall not exceed 50% of the net worth of the Company. Total amount of lending for the Company's each subsidiary shall not exceed 50% of the net worth of the subsidiary. Lending amount to a company having a business relationship with the Company shall not exceed 10% of the net worth of the subsidiary. Lending amount to a company in need of funding for a short-term period shall not exceed 40% of the net worth of the subsidiary.
2. Total amount for lending to a company having a business relationship with the Company shall not exceed the total transaction amount for the past year (transaction amount shall mean the higher of sales or purchasing amount between the parties), and shall not exceed 10% of the net worth of the Company.
3. For companies in need of funding for a short-term period, lending amount shall not exceed 40% of the net worth of the subsidiary whose voting rights are over 50% owned, directly or indirectly, by the Company, or lending between subsidiaries. For the rest of company, the lending amount shall not exceed 10% of the net worth of the company.
4. The lending amount for the Company and the Company's subsidiary will follow the proceeding 3 Paragraph. The lending amount between overseas subsidiaries that are wholly owned, directly or indirectly, by the Company or lending from wholly owned offshore subsidiaries, directly or indirectly, owned by the Company shall follow Article 3, Paragraph 3 of this Procedure.

#### Article 5 Fund lending procedure

### 1. Credit evaluation

When the company extends loans, the borrower should attach the company's necessary and financial information, and apply the credit limit to the Company through written application. After accepting the application, the finance department shall evaluate the borrower's business, financial information, solvency, creditworthiness, profitability, and purpose of lending, and issue reports. The finance department shall conduct a detailed evaluation and review of the borrower. The evaluation shall at least include:

- a. The necessity and rationality of extending loans to others;
- b. Borrower's credit status and risk assessment;
- c. Whether cumulative lending amount is within the lending limit;
- d. Impact on the company's business operations, financial condition, and shareholders' equity;
- e. Whether collateral must be obtained and appraisal of the value thereof; and
- f. Attach borrower's credit and risk evaluation.

### 2. Security procedure

When executing fund lending, the Company shall obtain chattel mortgage or real estate mortgage when necessary. For the aforementioned mortgage, the Board of Director shall evaluate the credit report when the creditor use individual or company who has resource and creditability as guarantor. When the guarantor is the company, the company's by law should be reviewed to verify if the guarantee clause is included.

### 3. Scope of authorization

When the Company contemplating fund lending, the finance department shall issue credit assessment report. The fund lending shall be approved by the president, and be submitted to and approved by the Board of Director. Major fund lending shall be approved by the audit committee and be submitted to and approved by the Board of Director.

Fund lending between the Company and its subsidiaries, or among the subsidiaries, shall be approved by the Board of Directors of the lending company, which Board may authorize its chairman to lend fund to borrowers, within a certain pre-approved amount and a period not exceeding one year, in one or several drawdowns or via a revolving credit line. The aforementioned credit should follow the guideline from Article 4.

When the Company lends funding to others, each Independent Director's opinion

shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.

#### Article 6 Lending term and interest calculation

1. The Company's fund lending should be based on short term and should be less than one year or one operating cycle, in accordance to article 2.
2. The Company's lending interest should not lower than the average short term lending rate by the financial institution. The lending between subsidiaries can be exempt from interest.
3. For special situation approved by Board of Director, lending term can be revised.
4. If the lending party fail to perform the lending contract, the Company may dispose or recover the amount from the collateral or guarantor, and charge 10% liquidated damage.

#### Article 7 Follow up procedure for fund lending and procedure for overdue loans

1. After the loan is allocated, the Company shall review the borrower's and the guarantor's financial, business, and related credit information. When the collateral is provided, the Company shall evaluate if the value of the collateral is changing. When the value of the collateral change significantly, the chairman shall be informed immediately and the Company should take appropriate action.
2. When the borrower repays the loan at or before maturity, the interest payable shall be calculated. After the principal and the interest are repaid, the promissory note shall be cancelled and return to the borrower or perform collateral cancellation.
3. After the fund lending is approved by the Board of Director, the finance department may allocate the fund in one time or on installment to the borrower depending on the borrower's need. The borrower can repay the loan in one time or on installment. The lending amount shall not exceed the maximum amount mentioned in Article 4. The Company shall dispose or reimburse from the collateral or the guarantor in the event of violation.

#### Article 8 Internal audit

1. The Company shall establish and maintain a registry book to record borrower's portfolio, lending amount, resolution date for Board of Director, lending date and evaluation item mentioned in this Procedure.
2. Internal auditors shall perform auditing on the Company's lending profile and produce written auditing reports on a quarterly basis. A written report of any material violation must be submitted in writing to notify the Audit Committee.

3. Should a borrower no longer meet the criteria set forth in the relevant regulations and/or this Procedure or should there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan must be provided to the Audit Committee and the proposed correction actions shall be implemented within the period specified in such plan.

#### Article 9 Report

1. The Company shall report the Company and its subsidiary's lending balance for previous month before the tenth day of each month.
2. When the Company's lending balance meets the following standard, the Company shall report it two days after the date of occurrence:
  - A. The aggregate balance of loans extended by the Company and its subsidiaries reaches 20% or more of the net worth of the Company from the most recent financial report.
  - B. The balance of loans to a single enterprise extended by the Company and its subsidiaries reaches 10% or more of the net worth of the Company from the most recent financial report.
  - C. The newly increased aggregate amount of loan extended by the Company and its subsidiaries reaches NT\$10 million and such amount exceeds 2% of the net worth of the Company.

The date of occurrence mentioned in this Procedure means the date of contract signing, date of payment, resolution date for the Board of Director, or other date that can confirm the counterpart and monetary amount of the transaction whichever is earlier.

1. If any subsidiary of the Company is not an ROC public company, the Company shall announce and report on behalf of such subsidiary any matter that such subsidiary is required to announce and report.

#### Article 10 Control on subsidiary's fund lending

When the Company's subsidiary lends funding to others, the Company shall mandate the subsidiary to formulate procedures for lending fund to other parties and follow the established procedure.

When the Company's subsidiary lends fund to other, the subsidiary shall provide related information periodically to the Company for review.

#### Article 11 Other matter

The Company shall make sufficient provision based on the lending profile, adequately disclose information in the financial statements, and provide external auditors with

necessary information for conducting audit procedure.

#### Article 12. Penalty

When the Company lends funding to others, operating guideline and this Procedure shall be followed. If the manager or in charge violates this Procedure and cause material damage to the Company, the Company will impose sanction in accordance with Reward and Punishment Guideline and related personnel regulation.

#### Article 13. Implementation and revision

The Procedure shall be agreed by no less than half of all audit committee members and approved by the Board of Directors, and enter into force after the approval of resolution by the Shareholders Meeting.

When the Procedure is submitted to the Board of Directors for discussion in accordance with the Provision herein, each Independent Director's opinion shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.

When the Company formulate or amend this Procedure, it shall be agreed by no less than half of all audit committee members, and approval of resolution by the Board of Director and Shareholder Meeting. If approval by no less than half of the audit committee member is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors shall be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors. The calculation of the number of the abovementioned audit committee members and Directors is based on those who at the time take office.

The operation procedure was formulated on May 14th, 2014; the first amendment was made on August 25, 2014; the second amendment was made on April 9, 2015; the third amendment is made on June 20, 2017; the fourth amendment is made on June 11, 2019; the fifth amendment is made on May 28, 2020; the sixth amendments is made on May 24, 2022, the seventh amendments is made on June 6, 2023; and the eighth amendment is made on May 27, 2024