

Chinese Maritime Transport Ltd.  
(the Corporation)

Procedures for Lending Funds to Other Parties  
(the "Procedures")

Amended and approved by the Regular Shareholders' Meeting on May 12, 2022

Article 1 Subject

To ensure the Corporation's lending funds to other parties follow the rules, the Procedures are formulated.

Article 2 Contents

1. Borrower:

1.1 Those who have business dealings with the Corporation.

1.2 Those who need short-term financing with the Corporation.

The short-term mentioned in preceding paragraph refers to one year. However, if the Corporation's business cycle is longer than one year, the business cycle shall prevail.

The term financing amount refers to the accumulated balance of the Corporation's short-term financing funds.

2. The reasons and necessity of lending funds to others:

If the corporation engages in fund lending due to business relationships with other companies, it shall follow the provisions of Article 3, Paragraph 2; if it is necessary for short-term financing of funds to engage in fund lending, the following circumstances shall be limited:

2.1 Companies in which the Corporation holds more than 80% shares need short-term financing due to business need.

2.2 Other company needs short-term financing due to the need of purchasing materials or business turnover.

3. The aggregate amount and the maximum amount permitted to a single borrower

3.1 The total amount of the Corporation's lending funds shall not exceed 40% of the Corporation's net worth.

3.2 The limit of fund loans to individual enterprise are as follows:

3.2.1. For a fund loan that is a business transaction, the individual loan amount shall not exceed the amount of business transactions in the previous year at the time of the fund loan (the business transaction amount refers to the amount of

purchases or sales between the two parties, whichever is higher), and the total loan amount is limited to 40% of the Corporation's net worth.

3.2.2. For short-term financial loans, the individual loan amount shall not exceed 40% of the company's net worth, and the total loan amount is limited to 40% of the Corporation's net worth.

3.3 The restriction of not exceed 40% of the lender's net worth and one year loan, shall not apply to inter-company loan of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Corporation by any overseas company in which the Corporation holds, directly or indirectly, 100% of the voting shares. However, the limit of fund loan to each company and the limit of the total loan amount shall not exceed 100% of net worth of the lender company, and the period of the fund loan shall be specified. Fund loans and deadlines between foreign subsidiaries are handled in accordance with the operating procedures of the subsidiaries.

#### 4. Procedures for handling loans of funds

##### 4.1 Credit status

The borrower should attach necessary company information and financial information apply to the Corporation for a financing in writing.

After the Corporation accept the application, the finance department shall investigate and evaluate the business, financial status, solvency and creditworthiness, profitability and purpose of the loan, and prepare a report.

The finance department conducts a detail evaluation and review of the fund loan. The evaluation items should at least include:

- 4.1.1. The necessity of and reasonableness of extending loans to others.
- 4.1.2. Based on the financial status of borrower, measure whether the fund loan amount is necessary.
- 4.1.3. Whether the accumulated fund loan amount is still within the limit.
- 4.1.4. Impact on the Corporation's business operation, financial condition, and shareholders' equity.

4.1.5. Whether collateral must be obtained and appraisal of the value thereof.

4.1.6. Attached records of borrower credit status and risk assessment.

#### 4.2 Collateral

When the Corporation handles capital loans, except for the subsidiaries of the Corporation that directly and indirectly hold 100% of the voting shares, it shall obtain the same amount of guaranteed promissory notes from the borrower, and handle the mortgage of movable or immovable property when necessary. For the credit guarantee in the preceding paragraph, if the debtor provides a person or company with considerable resources and credit as a guarantee, instead of providing collateral, the board of directors may refer to the credit report of the finance department; if the company is the guarantee, pay attention to whether its article of corporation may be a guarantee clause.

#### 4.3 Scope of authorization

When the Corporation handles capital loans, after the financial department has credited it, the loans of funds shall be submitted for the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors, and the chair may be authorized, for a specific borrowing counterparty, within a certain monetary limit approved by the board of directors, and within a period not to exceed one year, to give loans in installments or make a revolving credit line available for the counterparty to draw down, but the certain limit shall not exceed 10% of the net worth.

#### 5. Duration of loans and calculation of interest:

5.1 Where short-term financing is needed, the loan period of each fund shall not exceed one year.

5.2 The interest rate of fund loans shall not be lower than the highest interest rate of the Corporation's short-term loans from financial institutions. The calculation and collection of loan interest of the Corporation is based on monthly payment. In case of special circumstances, it may be adjusted after the approval of the board of directors.

#### 6. Subsequent measures for control and management of loans, and

procedures for handling delinquent creditor's rights

- 6.1 After the loan is allocated, should always pay attention to the financial, business and credit status of the borrower and guarantor. If there is a collateral provider, should also pay attention to whether the value of the guarantee has changed. In case of major changes, should notify the chair of the board, and follow the instructions for proper treatment.
- 6.2 When the borrower repays the loan before maturity or maturity, the interest payable should be calculated first, and then the promissory note loan can be cancelled and returned to the borrower or the mortgage can be cancelled after the principal is paid off.
- 6.3 The borrower should pay off the principal and interest immediately, as the loan expires. If there is an overdue and the debt cannot be recovered after a reminder, the Corporation may dispose and recover the collateral or the guarantor in accordance with the law.

## 7. Internal control

- 7.1 The Corporation shall prepare a memorandum book for its fund-lending activities and truthfully record the information of borrower, amount, date of approval by the board of directors, lending/borrower date, and matters to be carefully evaluated by the regulations.
- 7.2 The Corporation's internal auditors shall audit the Procedures for Lending Funds to Other Parties and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found. When handling fund loans, the Corporation's managers and sponsors shall follow the provisions of this operating procedures, if there is a violation, it shall be handled in accordance with the punishment method of the human resources department's work rules.
- 7.3 If, as a result of a change in circumstances, an entity for which a fund loan is made does not meet the requirements of these regulations, or the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to audit committee, and shall complete the rectification according to the timeframe set out in the plan.

## 8. Announcing and reporting

8.1 The Corporation shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10<sup>th</sup> day of each month.

8.2 The Corporation whose loans of funds reach one of following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

8.2.1. The aggregate balance of loans to others by the Corporation and its subsidiaries reaches 20% or more of the Corporation's net worth as stated in its latest financial statement.

8.2.2. The balance of loans by the Corporation and its subsidiaries to a single enterprise reaches 10% or more of the Corporation's net worth as stated in its latest financial statement.

8.2.3. The amount of new loans of funds by the Corporation or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Corporation's net worth as stated in its latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraph 1 and in item 3 under subparagraph 2 of the preceding paragraph.

## Article 3 Other matter

1. Where a subsidiary of the Corporation intends to make loans to others, the Corporation shall instruct it to formulate its own Procedures for Lending Funds to Other Parties in compliance with the regulations, and it shall comply with the procedures when loaning funds.

When a subsidiary of the Corporation intends to lend funds to others, it must be approved by the subsidiary's board of directors.

When a subsidiary of the Corporation handles loans to others, in addition to regularly providing relevant information to the Corporation for review, when there are new loans, it should immediately notify the Corporation.

2. The Corporation shall, in accordance with generally accepted accounting principles, assess the situation of lend funds and provide adequate allowance for bad debts, and disclose relevant information in the financial report appropriately, and provide relevant information for the CPA to perform necessary verification procedures, and issue appropriate auditors' report.
3. Matters not covered in this procedures shall be handled in accordance with relevant laws and regulations and relevant regulations of the Corporation.

#### Article 4 Effective and amendment

The procedures can be amended with the approval of audit committee and approved by the board of directors. After approval by the board of directors, it shall be submitted to the shareholders' meeting for approval. If a director expresses an objection and has a record or a written statement, the Corporation shall send the objection to the audit committee and report to the shareholders' meeting for discussion.

Any matter that shall be approved by the audit committee that has not been approved by one half or more of the entire membership of the audit committee, it may be adopted with the approval of two thirds or more of the entire board of directors and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "entire membership of the audit committee" and "entire board of directors" above-mentioned, shall be counted as the number of members actually in office at the given time.