

Procedures for Lending Funds to Other Parties**Article 1 Purpose**

In response to actual business needs, Giant Heavy Machinery Service Corporation (hereinafter referred to as this Corporation) needs to lend funds to other companies (hereinafter referred to as Borrowers), which must be handled in accordance with these Procedures.

Article 2 Legal Basis

These Procedures are established in accordance with the Securities and Exchange Act and the 'Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies' promulgated by the Financial Supervisory Commission's Securities and Futures Bureau (SFB).

Article 3 Loan Recipients

According to Article 15 of the Company Act, this Corporation's funds may not be lent to shareholders or any other person, except in the following circumstances:

1. Companies or firms with which this Corporation has business dealings.
2. If the board of directors deems it necessary for short-term financing, this Corporation may engage in lending activities. Lending between foreign companies in which this Corporation directly or indirectly holds 100% of the voting shares is not subject to the limit that the financing amount shall not exceed 40% of the net worth of the lending company. However, a limit should still be set for the total amount of lending and the limit for each Borrower, and a lending period should be established.
3. "Short-term" refers to a period of one year or one business cycle (whichever is longer).
4. "Financing amount" refers to the cumulative balance of short-term financing.
5. If the chairman of this Corporation violates the provisions of the previous paragraph, he/she shall be jointly liable for repayment with the Borrower.

If this causes damage to this Corporation, he/she shall also be liable for compensation.

Article 4 Evaluation Criteria for Lending to Others

1. This Corporation and other companies or banks engage in capital lending due to business relationships. The aforementioned "business relationships" refer to those who purchase or sell goods with this Corporation.
2. This Corporation and other companies or banks engage in fund lending when the board of directors deems it necessary to provide short-term funds, subject to the following circumstances:
 - (1) Those who have a parent-subsidary relationship with this Corporation and need short-term financing due to business needs.
 - (2) Companies or banks invested by this Corporation using the equity method need short-term financing due to the need for purchasing materials or operating turnover. The so-called subsidiaries and parent companies shall be identified in accordance with the provisions of the financial reporting standards for securities issuers. The financial reports of publicly issued companies are prepared in accordance with International Financial Reporting Standards. The net value referred to in this procedure refers to the equity attributable to the owners of the parent company in the balance sheet stipulated in the financial reporting standards of the securities issuer.

Article 5

The total amount of lending and the limit for each Borrower should not exceed 20% of this Corporation's net worth, and can be divided into the following two situations:

1. For lending to companies or firms having a business relationship with this Corporation, the total amount shall not exceed ten percent (10%) of the net worth of this Corporation; the amount of lending to each Borrower shall not exceed the total amount of business transactions between the parties during the period of twelve (12) months preceding the lending, for

purposes of these Procedures, the “transaction amount” shall mean the sales or purchasing amount between the parties, whichever is higher.

2. For lending to companies or firms with short-term financing needs, the total amount shall not exceed 10% of this Corporation's net worth, and the amount of lending to each Borrower shall not exceed 5% of this Corporation's net worth. The term "net worth" shall be based on the most recent financial report audited or reviewed by a certified public accountant.
3. For lending between foreign companies in which this Corporation directly or indirectly holds 100% of the voting shares, or lending to this Corporation by foreign companies in which this Corporation directly or indirectly holds 100% of the voting shares, the aforementioned limits do not apply. However, the lending period should not exceed three years, and the individual and total lending amounts should not exceed 120% of the net worth of the lending company.

Article 6 Lending Period and Interest Calculation Method

1. The lending period for each lending shall not exceed one year or one business cycle (whichever is longer), starting from the date of disbursement. However, if approved by the board of directors, the period may be extended once (for one year).
2. The interest on the lent funds shall be calculated on a daily basis, by multiplying the sum of the daily outstanding balance (total sum) by the annual interest rate and dividing by 365. The annual interest rate shall not be lower than the average interest rate for short-term borrowing from financial institutions by this Corporation, as a general rule.
3. The collection of interest on the loan shall be monthly, unless otherwise specified. In special circumstances, the board of directors may approve adjustments as necessary.

Article 7 Decision-Making Level

When this Corporation plans to lend funds to others, it shall be handled through a board of directors' resolution and shall not be delegated to others.

Lending between this Corporation and its subsidiaries, or between subsidiaries, shall be handled in accordance with the previous paragraph and may be authorized by the board of directors to the chairman for multiple disbursements or circulating use to the same Borrower within a specified amount and not exceeding one year.

The specified amount in the previous paragraph shall not exceed 10% of the net worth of this Corporation in its most recent financial report, except as provided in Article 3, paragraph 4 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

If this Corporation has established independent directors, their lending of funds to others shall fully consider the opinions of each independent director, and their clear agreement or disagreement and reasons for disagreement shall be recorded in the minutes of the board of directors meeting.

Article 8 Handling and Review Procedures for Lending

1. Responsible Unit: The financial unit is responsible for handling all matters related to lending to others by this Corporation. The president may designate other dedicated personnel to assist as necessary.

2. Review Procedure and Loan Approval

(1) Credit Investigation

A thorough credit investigation shall be conducted for all companies or firms applying for loans, according to the following principles:

- a. For first-time Borrowers, the Borrower shall provide copies of relevant company certificates and identification documents of responsible persons, as well as necessary financial data for the credit investigation.
- b. For continuing Borrowers, a new credit investigation shall be conducted when applying for renewal, and for major cases, credit investigations shall be conducted periodically as necessary.
- c. If the Borrower's financial and credit status is good, and the annual financial report has been audited and certified by a

certified public accountant, the credit investigation report that has not expired for more than one year may be used as a reference for lending, along with the audited financial report.

(2) Review and Evaluation

For all lending within the limits set forth in Article 5, the Borrower shall fill out an application form, and the responsible unit shall prepare a concrete review and evaluation report, which shall include the following items:

- a. The necessity and reasonableness of lending to others.
- b. Credit investigation and risk assessment of the Borrower.
- c. The impact on this Corporation's operating risk, financial status, and shareholder equity.
- d. Whether to obtain collateral and the appraised value of the collateral.

(3) Loan Approval

- a. After review and evaluation, if the Borrower's credit is poor, or if there are other reasons that make lending inappropriate, the responsible personnel shall sign and approve the reasons for not lending and respond to the Borrower as soon as possible.
- b. After review and evaluation, for cases where the credit is good, the purpose of borrowing is legitimate, and there is no adverse impact on this Corporation's finances, business, and shareholder equity, the responsible personnel shall submit the credit investigation and review and evaluation report, along with the proposed loan amount, term, interest rate, and other data to the chairman and president for approval. The loan may be processed only after the board of directors has approved it in accordance with Article 8.

3. Notification to Borrower

After the loan case is approved, the handling personnel shall send a letter

or telegraph to the Borrower as soon as possible, detailing this Corporation's loan conditions, including the amount, term, interest rate, collateral and guarantor, etc., and requesting the Borrower to sign a contract within the time limit and complete the guarantee quality. After the (mortgage) right is established and the guarantor performs the security procedures, the funds will be allocated.

4. Signature and Verification

- (1) The handling personnel shall draft the terms of the loan contract, which shall be reviewed by the supervisor and sent to the legal counsel for review before signing.
- (2) The content of the contract shall be consistent with the approved loan terms. When the Borrower and the guarantor have signed the contract, the handling personnel shall verify the procedures.

5. Collateral

- (1) When lending funds to others, this Corporation shall obtain collateral in the form of promissory notes equivalent to the loan amount. If necessary, the board of directors shall require the Borrower to provide collateral equivalent to the loan amount and complete the collateral or mortgage registration procedures to ensure this Corporation's creditor's rights. If the Borrower provides a personal or corporate guarantor with equivalent assets and credit, the board of directors may, taking into account the opinions of the financial unit, handle the matter; if a company is used as a guarantor, the guarantee company shall have a guarantee clause in its articles of association and submit the minutes of the shareholders meeting or board of directors meeting on related matters.
- (2) Except for land and securities, all collateral shall be insured against fire and related risks, with the insurance amount not less than the collateral value as a principle, and the insurance policy shall specify this Corporation as the beneficiary. The name, quantity, storage

location, insurance conditions, and insurance policy of the insured property on the insurance policy shall be consistent with the original loan conditions approved by this Corporation.

- (3) The handling personnel shall pay attention to notifying the Borrower to continue the insurance before the insurance period expires.

6. Disbursement of Funds

Upon completion of the loan approval process, and once the Borrower has signed the loan contract and completed the necessary collateral registration and verification, the disbursement of funds may proceed.

Article 9 Information Disclosure Procedure

1. After this Corporation's public offering, it shall announce and report the loan balances of this Corporation and its subsidiaries for the previous month by the tenth day of each month.
2. This Corporation shall announce and report within two days of the occurrence of any of the following events:
 - (1) The balance of loans to others reaches 20% or more of the net value of this Corporation's most recent financial report.
 - (2) The balance of loans to a single enterprise reaches 10% or more of the net value of this Corporation's most recent financial report.
 - (3) The new loan amount reaches NTD 100 million or more and reaches 2% or more of the net value of this Corporation's most recent financial report.
3. If a subsidiary of this is not a publicly offering company in Taiwan, this Corporation shall make the announcement and report on its behalf.
4. The calculation of the ratio of the loan balance of the subsidiary to the net value shall be based on the ratio of the loan balance of the subsidiary to the net value of this Corporation.
5. The announcement and report referred to in these Procedure shall be made by entering the Financial Supervisory Commission's designated information reporting website. The date of occurrence shall be the earliest

of the date of signing the contract, the date of payment, the date of the board of directors' resolution, or any other date that can confirm the loan object and amount.

Article 10 Follow-up Management Measures and Overdue Debt Handling Procedures for Loans

1. After disbursement of a loan, this Corporation shall regularly monitor the financial, business, and credit status of the Borrower and guarantor. If collateral has been provided, this Corporation shall also monitor any changes in its value. If there are any significant changes, this Corporation shall immediately report to the chairman of the board and take appropriate action as instructed.
2. When the Borrower repays the loan at maturity or before maturity, this Corporation shall first calculate the interest payable, and then the Borrower shall repay the principal and interest together. After repayment, this Corporation shall cancel and return the promissory note or handle the cancellation of the mortgage.
3. The Borrower shall repay the principal and interest in full at maturity. If the Borrower is unable to repay at maturity and needs an extension, the Borrower must submit a request in advance and obtain approval from the board of directors. Each extension shall not exceed six months and is limited to one extension. If the Borrower fails to comply, this Corporation may, in accordance with the law, dispose of and recover the collateral or guarantor provided by the Borrower.
4. This Corporation may authorize the chairman of the board to grant loans to the same Borrower within a certain limit and for a period not exceeding one year in multiple installments or on a revolving basis.

Article 11 Establishment of a Record Book

This Corporation shall establish a record book for its lending activities, which shall include detailed records of the Borrower, loan amount, date of approval by the board of directors, date of disbursement, and other information that

requires careful evaluation according to regulations.

Article 12 Internal Audit

Internal auditors shall perform auditing on this Corporation's lending profile and produce written auditing reports on a quarterly basis. A written report of any material violation must be submitted to notify the supervisors.

Article 13 Control Procedures for Lending by Subsidiaries to Third Parties

1. If a subsidiary of this Corporation intends to lend funds to a third party, it shall also establish a lending operation procedure in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and shall operate in accordance with the established procedure.
2. Lending between subsidiaries of this Corporation shall be subject to the approval of the board of directors of the parent company.
3. The authorized lending limit of a subsidiary to a single enterprise shall not exceed 10% of the net value of the subsidiary's most recent financial report.
4. The subsidiary shall prepare a detailed list of lending to other companies for the previous month by the 5th day of each month and submit it to this Corporation.
5. The internal audit personnel of the subsidiary shall conduct an audit of the lending operation procedure and its execution at least once every quarter and prepare a written record. If any major violations are found, they shall immediately notify this Corporation's audit unit in writing. This Corporation's audit unit shall submit the written materials to the audit committee.
6. When this Corporation's auditors conduct an audit of the subsidiary in accordance with the annual audit plan, they shall inquire from time to time about the execution of the lending operation procedure and follow up on any deficiencies. They shall prepare a follow-up report and submit it to the president to ensure that appropriate improvement measures have been taken promptly.

Article 14 Penalties

If this Corporation's managers and person in charge of lending funds to other parties violate the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or the "Procedures for Lending Funds to Other Parties" established by this Corporation, they will be reported for assessment according to this Corporation's personnel management rules and will be penalized based on the severity of the violation.

Article 15 Miscellaneous

1. The financial unit may be entrusted by the board of directors to investigate and evaluate the loans already granted to other parties before the implementation of these Procedures and shall report to the board of directors for ratification. If there are any loans exceeding the approved lending limit, the financial unit shall notify the Borrower to repay the excess portion within six months from the date of implementation of these Procedures.
2. If the lending object is not in compliance with regulations or the balance exceeds the limit due to changes in circumstances, this Corporation shall develop a corrective plan and submit it to the supervisor. The corrective plan shall be completed according to the schedule.
3. This Corporation shall evaluate the lending situation and provide adequate allowance for bad debts. Relevant information shall be properly disclosed in the financial report, and relevant data shall be provided to certified public accountants for necessary audit procedures.
4. The handling personnel shall prepare a detailed list of lending to other companies for the previous month by the 5th day of each month and submit it for review.
5. The lending operations of foreign companies shall be governed by these Procedures. If a foreign company does not have a seal, it shall be exempted from the provisions of Article 12, paragraph 1, item 7 and Article 17, paragraph 4 of the "Regulations Governing Loaning of Funds and Making

of Endorsements/Guarantees by Public Companies". The net value of a foreign company calculated according to these Procedures shall refer to the equity belonging to the parent company in the balance sheet.

Article 16 Supplementary Provisions for Relevant Laws and Regulations

Any other matters not set forth in the Procedures shall be governed by the applicable laws, rules, and regulations.

Article 17 Enforcement

These Procedures shall be established upon approval by the board of directors and submitted to the supervisors and shareholders meeting for approval. They shall be implemented after approval. Any amendments shall follow the same process.