

Stock Code: 2615

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WAN HAI LINES LTD. 2017 Annual General Shareholders' Meeting

Time: June 22, 2017

Venue: 2F No.16, Section 4 Jhongshan North Road, Taipei City
Jing-Guo Memorial Hall, China Youth Corps Chientan
Youth Activity Center, Auditorium

Market Observation Post System <http://mops.twse.com.tw>

Website of the company <http://www.wanhai.com>

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WAN HAI LINES LTD.

2017 Annual General Shareholders' Meeting Procedures

1. Commence Meeting

2. Chairman's Speech

3. Reports

4. Acknowledgements

5. Elections

6. Discussions

7. Special Motions

8. Dismissal

WAN HAI LINES LTD.

2017 Annual General Shareholders' Meeting Agendas

1. Time: 9:00 a.m. Thursday, June 22, 2017
2. Venue: 2F No.16, Section 4 Jhongshan North Road, Taipei City Jing-Guo Memorial Hall,
China Youth Corps Chientan Youth Activity Center, Auditorium
3. Commence Meeting
4. Chairman's Speech
5. Reports
 - (1) 2016 annual employees' remuneration and Directors' and Supervisors' remuneration report for acknowledgments.
 - (2) 2016 Business Report
 - (3) Supervisors' Report for Fiscal Year 2016
 - (4) Matters related to the issue of domestic unsecured corporate bonds in 2017 report for acknowledgments.
6. Acknowledgements
 - (1) Presenting the 2016 Financial Statements and Business Report
 - (2) Presenting the 2016 Earnings Appropriation
7. Elections
 - (1) Elections for Directors (Including Independent Directors), 20th Board of Directors
8. Discussions
 - (1) Amendments to the "WAN HAI LINES LTD. Memorandum of Association"
 - (2) Amendments to the "WAN HAI LINES LTD. Procedure for the Election of Directors and Supervisors"
 - (3) Amendments to the Regulations for Acquisition and Disposal of Assets to WAN HAI LINES LTD. And Subsidiaries

- (4) Amendments to the Regulations Governing the Acquisition and Disposal of Derivatives by Wan Hai Lines Ltd. and its Subsidiaries
- (5) Amendments to the Procedure of Loaning of Fund to Others by WAN HAI LINES LTD. And Subsidiaries
- (6) Amendments to the Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. And Subsidiaries
- (7) Release of the Non-Competition Restriction for members of the Company's 19th Board of Directors
- (8) Release of the Non-Competition Restriction for members of the Company's newly elected Board of Directors
- (9) Amendments to the General Shareholders Meeting Rules

9. Special Motions

10. Dismissal

【 Reports 】

1. 2016 annual employees' remuneration and Directors' and Supervisors' remuneration report for acknowledgments.

Details:

(1)The Company's 2016 annual profit was NT\$1,487,127,742 (pre-tax benefit before the deduction of employees' remuneration and Directors' and Supervisors' remuneration, and after deducting accumulated losses), with a provision of 1% for employees' remuneration as NT\$14,871,277, and 1% for Directors' and Supervisors' remuneration as NT\$14,871,277.

2. Please examine the 2016 Business Report.

Details: Refer to Attachment 1. (pages 12~17)

3. Please examine the Supervisors' Report for Fiscal Year 2016.

Details: Refer to Attachment 3. (pages 36 ~37)

4. Matters related to the issue of domestic unsecured corporate bonds in 2017 report for acknowledgments.

Details: Due to operational requirements, on 27 APR 2016, the Company's Board of Directors approved the single or multiple times issue of domestic corporate bonds, with the issued amount not exceeding more than NT\$4.5 billion. The Chairman of the Board was authorized on the behalf of the Company, in accordance with market conditions, to determine the conditions of issue, which plans to repay loans and to strengthen financial structure.

【 Acknowledgements 】

1st Motion:

Agenda: Presenting the 2016 Financial Statements and Business Report for acknowledgments. (Proposed by Board of Directors)

Details:

1. The Company's 2016 Balance Sheet, Income Statement, Changes in Stockholder Rights, Cash Flow Table, and other Financial Statements (including Consolidated Financial Statements), have already been examined and approved by Auditors. The Financial Statements and Business Report has also been sent to the Supervisors, and Supervisors has been completed. An Independent Auditor's Report has been included on the record.
2. For the Business Report and Financial Statements mentioned above, please refer to Attachments 1&2. (pages 12~35)
3. The topic is ready for acknowledgments.

Resolution:

2nd Motion:

Agenda: Presenting the 2016 Earnings Appropriation for acknowledgements.

(Proposed by Board of Directors)

Details:

1. The Company's 2016 net income after tax was NT\$1,141,680,063. In accordance with relevant laws and the Memorandum of Association, 10% of this amount NT\$114,168,006, and the reversal of special reserve was NT1,053,281,283, with the addition of beginning period undistributed earnings of NT\$1,614,528,125, and other comprehensive losses with a deduction of NT\$ 120,251,173 (the 2016 annual benefit scheme number was re-evaluated), the available undistributed earnings was NT\$3,575,070,292. In addition to the non-allocation at the beginning period of undistributed earnings, the 2015 annual earnings appropriation was NT\$ 887,318,986 for distribution to shareholders as cash dividend of NT\$0.4 per share.
2. In accordance with the Ministry of Finance's Regulatory Letter No. 871941343, a company shall first determine the year to which earning dividends or surpluses belong. The Company's earnings appropriation principle has allocated the undistributed earnings to 2016.
3. The earning per share by the distribution NT\$ ratio calculation, with any amount less than NT\$1 being forfeited. Less than a dollar fractional totals are adjusted in order from large to small decimal points and shareholders numbers are ordered from first to last to meet the distribution of the cash dividend total. The shareholders meeting is requested to ratify authorization for the Board of Directors to stipulate Base date of distribution and Cash dividend payment date.
4. The shareholders meeting is requested to ratify authorization for the Board of Directors to make all necessary adjustments if changes in share capital impact volume of shares in circulation and subsequently affect the dividend yield.
5. For the company's 2016 Earnings Appropriation table, please refer to Attachment 4 (page 38).
6. The topic is ready for acknowledgements.

Resolution:

【 Elections 】

1st Motion:

Agenda: Elections for Directors (including Independent Directors) and Supervisors, 20th Board of Directors. (Proposed by the Board of Directors)

Details:

1. The term of Directors and Supervisors, 19th Board of Directors ends on June 17, 2017. In accordance with Article 195 and 217 of the Company Act, the complete re-election should be held during this year's general shareholders' meeting.
2. Pursuant to Article 14-4 of the Securities and Exchange Act, the Order of Financial-Supervisory-Securities-Corporate No. 10200531121 issued by the Financial Supervisory Commission, and the Company's Memorandum of Association, the Company has stopped appointing supervisors since the re-election that took place in 2017. All independent directors from the Audit Committee will replace supervisors.
3. Pursuant to Articles 7 and 8 of the Company's Memorandum of Association, the Company's Board of Directors has seven directors (including three independent directors). Such directors shall serve a term of three years and may be re-elected. The term of the 20th Board of Directors will start on June 22, 2017 upon being elected and end on June 21, 2020. The original directors and supervisors shall extend their terms to perform the duties until the directors are elected at the upcoming shareholders' meeting have assumed the post.
4. Also, in accordance with Article 7 and 8 of the Company's Memorandum of Association, as well as Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the election of Directors (including Independent Directors) shall adopt a candidate nomination system. The Candidates List of Directors (including Independent Directors) and Supervisors was reviewed and approved at the 18th Meeting of the 19th Board of Directors, held on April 27, 2017. For information on each candidate, including educational background, experience, and total shareholding of issued shares of the Company, please refer to Attachment 5 (pages 39~40).
5. The topic is ready for elections.

Resolution:

【 Discussions 】

1st Motion:

Agenda: Amendments to the “WAN HAI LINES LTD. Memorandum of Association” submitted for discussion. (Proposed by Board of Directors)

Details:

1. Pursuant to the Order of Financial-Supervisory-Securities-Corporate No. 10200531121 issued by the Financial Supervisory Commission, a non-financial company having a paid-in capital stock no lower than NT\$10 billion whose shares are listed on TWSE (TPEX) shall establish an Audit Committee in substitution of the supervisors, provided that, if the term of the existing directors and supervisors would expire in 2014, such provision shall become applicable after the term of the directors and supervisors who were elected in 2014. In the Company 2017 election, the Directors shall establish an Audit Committee to replace Supervisors.
2. This is conducted in response to Article 14-4 of the Securities and Exchange Act and Article 4 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies: "The audit committee shall be comprised of all independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise."
3. In response to the aforementioned laws and regulations, there is proposed amendment to the Memorandum of Association. For a comparative table and details for amendment refer to Attachment 6 (pages 41~43). For post-revision regulations please refer to Appendix 1 (pages 74~79).
4. The topic is ready for discussion.

Resolution:

2nd Motion:

Agenda: Amendments to the “WAN HAI LINES LTD. Procedure for the Election of Directors and Supervisors” submitted for discussion. (Proposed by Board of Directors)

Details:

1. Pursuant to the Order of Financial-Supervisory-Securities-Corporate No. 10200531121 issued by the Financial Supervisory Commission, a non-financial company having a paid-in capital stock no lower than NT\$10 billion whose shares are listed on TWSE (TPEX) shall establish an Audit Committee in substitution of the supervisors, provided that, if the term of the existing directors and supervisors would expire in 2014, such provision shall become applicable after the term of the directors and supervisors who were elected in 2014. In the Company 2017 election, the Directors shall establish

an Audit Committee to replace Supervisors.

2. This is conducted in response to Article 14-4 of the Securities and Exchange Act and Article 4 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies: "The audit committee shall be comprised of all independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise."
3. In response to the aforementioned laws and regulations, there is proposed amendment to the Memorandum of Association. For a comparative table and details of the amendments, please refer to Attachment 7 (Page 44 ~46). For post-revision procedure please refer to Appendix 2 (pages 80~82).
4. The topic is ready for discussion.

Resolution:

3rd Motion:

Agenda: Discussing the Regulations for Acquisition and Disposal of Assets by WAN HAI LINES LTD. And Its Subsidiaries. (Proposed by the Board of Directors)

Details:

1. To amend the "Regulations Governing the Acquisition and Disposal of Assets by Wan Hai Lines Ltd. and Its Subsidiaries" in response to the amendment to partial provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's establishment of the Audit Committee.
2. For a comparison table and details please refer to Attachment 8 (page 48~57). For post-revision regulations please refer to Appendix 3 (pages 83~91).
3. The topic is ready for discussion.

Resolution:

4th Motions:

1. In accordance with the Financial Supervisory Commission's amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and the establishment of an Audit Committee by the Company, it is proposed to amend the Wan Hai Line Ltd. and its Subsidy Companies' Procedures for the Acquisition or Disposals of Financial Derivatives.
2. For a comparison table and details please refer to Attachment 9 (page 58~61). For post-revision regulations please refer to Appendix 4 (pages 92~97).
3. The topic is ready for discussion.

Resolution:

5th Motions:

Agenda: Amendments to the “Procedure of Loaning of Fund to Others by WAN HAI LINES LTD. and Subsidiaries” submitted for discussion. (Proposed by Board of Directors)

Details:

1. To accommodate the amendments to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Company's establishment of the Audit Committee, the “Procedure of Loaning of Fund to Others by WAN HAI LINES LTD. and Subsidiaries” is amended accordingly.
2. For a comparison table and details of the amendments, please refer to Attachment 10 (Page 62~64). For post-revision procedure please refer to Appendix 5 (pages 98~101).
3. The topic is ready for discussion.

Resolution:

6th Motions:

Agenda: Amendments to the “Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. and Subsidiaries” submitted for discussion. (Proposed by Board of Directors)

Details:

1. To accommodate the amendments to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and the Company's establishment of the Audit Committee, the “Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. and Subsidiaries” is amended accordingly.
2. For a comparison table and details of the amendments, please refer to Attachment 11 (Page 65~79). For post-revision procedure please refer to Appendix 6 (pages 102~108).
3. The topic is ready for discussion.

Resolution:

7th Motions:

Agenda: Release of the Non-Competition Restriction for members of the Company's 19th Board of Directors submitted for discussion. (Proposed by Board of Directors)

Details:

1. According to Item 1, Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such act and secure its approval.
2. With the help of the Company's Chairman, Mr. Po-Ting Chen \ Juristic-person director Taili Corporation Representative, Mr. Randy Chen \ Juristic-person director SHIH LIN PAPER CORP representative, Mr. Fur-Lung Hsieh, based on their expertise and experience. Please refer to Attachment 12 (page 70).
3. The topic is ready for discussion.

Resolution:

8th Motions:

Agenda: Release of the Non-Competition Restriction for members of the Company's new elected Board of Directors submitted for discussion. (Proposed by Board of Directors)

Details:

1. According to Item 1, Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such act and secure its approval.
2. Due to the possibility the Company's new directors may act as directors, supervisors or managers of an enterprise invested in by the Company, in the interests of not damaging the Company's interests, if a nominee is elected (including the representative appointed to perform the powers and functions by a juristic person nominee that is elected), a proposal will be submitted to the shareholders' meeting to obtain the consent for releasing the new directors from the non-competition restriction on assuming posts in the enterprises invested in by the Company. Please refer to Attachment 13 (page 71).
3. The topic is ready for discussion.

Resolution:

9th Motions:

Agenda: Amendments to the General Shareholders Meeting Rules has been submitted for discussion. (To be proposed by the Board of Directors)

Details:

1. Propose to amend the General Shareholders Meeting Rules in response to the Establishment of the Audit Committee as a substitution for the supervisors.
2. For a comparison table and details of the amendments, please refer to Attachment 14 (Page 72). For post-revision Rules please refer to Appendix 7 (pages 109~115).
3. The topic is ready for discussion.

Resolution:

【Special Motions】

【Dismissal】

Wan Hai Lines Ltd.

Business Report

I. Operating Principles

The current global economic growth has been weakened by effect of lower global demand and international crude oil prices. As the national economic recovery has been weak, the growth of emerging markets has also slowed. In this challenging economic environment, the Company has maintained its pursuit of sustainable business and social responsibility practices. Operations and route layout are carefully planned, with real-time responses to customer needs within the industry to maintain the Company's consistent leading competitive position.

The Company's employees have upheld the spirit of mutual cooperation and professionalism. The Company's clear operating principles and correct strategy under the spirit of "customer first, total service, environmental protection, and sustainable operations" were committed to the implementation of customer service and sustainable operations to meet good social responsibility obligations, reduce carbon emissions from shipping to practice environmental protection, and strive for robust sustainable development in order to meet the shareholders' and the public's expectations and gain their support.

II. Operation Overview

1. External Environment Changes

(1) **Macroeconomic Situation:** In 2016, although the US and Europe have continued to recover economically, the economic growth of the emerging countries has slowed down. There has been some fluctuation in the low crude oil prices, but the market has continued to be oversupplied, resulting in falling freight prices. According to the International Monetary Fund (IMF), the 2016 global economic growth was 3.1, which was slightly below the 3.2% economic growth of 2015; Global Insight (GI) estimated that a 2016 global economic growth rate of 2.4%, which was slightly lower than their 2.7% estimate for 2015.

(2) **Bunker Cost:** International Brent crude oil prices continued to fall from

2015 until January 2016. The Organization of Petroleum Exporting Countries (OPEC) Meeting at the end of November reached a consensus to drive up oil prices. The 2015 international oil (the Brent price) average price was US\$52.32/barrel which dropped down to US\$43.73/barrel in 2016, which is a fall of 16.4% in the international crude oil price.

(3) Charter Market: In 2016, the freight market price fell continuously, and the number of ships remaining idle increased. According to the HRCI (Howe Robinson) international container shipping market indices, the 2016 chartering fees index gradually fell: on December 21 the index was 392.1, compared with the rental index was 446.5 on January 13, 2016, a drop of about 12.18%. The 4,300~5,500 TEU ship charter market index fell the most, from around the 12% to 31% range. In 2016, the number of idle ships in the market increased, as the charter index decreased. According to Alphaliner statistics, the amount of freight space at the end of 2015 increased from 5,153 vessels/19,938,068 TEU to 5,112 vessels/20,271,225 TEU by the end of 2016, giving a growth rate of about 1.67%. This increase in the freight space market was due to the newly built and delivered larger container ships in 2016.

(4) Peer Competition: With the slowdown in the global economic recovery, and the trend for larger ships on regional routes, the freight space supply was larger than the demand leading to fierce market competition. This increase in freight space resulted in continually declining freight rates for all shipping companies, generally making companies within the shipping industry non-profitable.

(5) Market Fluctuations: According to Global Insight's (GI) prediction the price of goods and the labor market has improved. In 2016, the US economic growth rate has been forecasted as 1.6%, slightly less than the 2.6% forecast in 2015. The European economy has maintained a loose monetary policy, but political uncertainty has increased; the European economy's annual economic growth rate was 1.7%, which was still a slight decrease when compared with the 2.0% in 2015. In Asia, Japan's Yen continued to depreciate, as the annual economic growth rate was 1.0%, which was still a slight increase when compared with the 0.6% in 2015. China is relying on a large amount of infrastructure spending to support its economic growth; China's economic

growth rate fell to 6.7%, with the forecast for the coming year likely to be continually revised downwards.

2. Strategies of Adaptation

Despite dramatic changes within the global market, the Company has maintaining a competitive advantage thorough risk diversification, and in 2016 the Company actively engaged in shipping route integration, along with joint ventures and exchanging freight space strategies with some of the world's major shipping companies to reduce freight space cost. In terms of shipping route configuration, in addition to the continued development of short-sea shipping and longer routes, the Company has responded to changes in market demand, and adjusted routes and freight space configurations. Under the narrower profit margins in the face of market competition and degradation, the Company has continued to optimize its own fleet, and improve vessel performance. By surveying the market conditions to assess whether to change or close certain routes, and being flexible with freight space, the Company has dramatically reducing operating costs.

III. Results of Business Plan Implementation

1. Analysis of Our Company's Major Service Areas and Those Markets

Our company mainly provides full containerized shipping service. Our service network includes Northeast Asia, China, Southeast Asia, Middle East – India – Pakistan, the US, and the west coast of South America. Our analyses for the markets are as follows:

(1) Northeast Asia:

Our company has operated services connecting Japan, Korea, and the rest of Asia for many years. Throughout, the Company has maintained reliable customer relationships and cultivated an excellent reputation that gives it a pivotal position in this market. In response to flourishing market demand in the first half of the year, to improve competitiveness and maintain the existing high quality and reliable transport services, further route integration continued in Northeast Asia through to Hong Kong, which increased the Company's market share in the Northeast Asia region.

(2) Southeast Asia:

Southeast Asian countries were affected by the global slowdown in growth, the continued slump in international crude oil prices, and other factors, leading to slower annual growth than the previous year, but the economic growth rate was still higher than other regions. To strengthen the regional freight space utilization there was an effective integration of freight space supply between the Philippines and Malaysia to provide more efficient service quality: the investment in two 600 TEU container ships from June; the newly added Philippines Mindanao - Malaysia route (MMS Service) increasing the freight space supply. We have been able to reduce operating costs, and provide a more concentrated service network to maintain our competitiveness in the Southeast Asian market.

(3) Middle East - India – Pakistan:

In 2016, the Company continued reinforcing its joint cooperation between the world's major shipping companies, mainly in the Far East - the Middle East, India and Pakistan routes in response to changes in the market. The changes include the new China - Singapore and Malaysia - India route (CI2 Service), the revised China - Singapore and Malaysia - India and Pakistan routes (PMX Service, PM2 Service) and the extension of Japan - Singapore and Malaysia route to India (CH3 Service), increasing the supply of freight space to provide more competitive route services.

(4) US West Coast:

In response to trans-Pacific market demand: from May Japan's "K" Line and Pacific International Lines (PIL) became a joint venture with the Vietnam - South China - The America West Coast route (CAL Service). Through mutual exchange the East China - America West Coast route (CCB Service), and the North Central China - America West Coast route (CCE Service), the North China - America West Coast route (CEN Service), and the Vietnam - South China - East China - America West Coast route (MD1 Service) have increased freight space supply to meet market demand.

(5) South America West Coast:

The Company maintained Asia's major ports direct shipping services to South America's West Coast, in response to the market's low and peak seasons we have adjusted the flexibility of freight space to meet the needs

of the market. We have maintained changing freight space capacity with the joint venture partners to obtain another South American West Coast route (the WSA Service), which offers two weekly sailing schedule choices to maintain our competitive advantage in the market of South American shipping.

2. Future Market Outlook

The global economic and trading center is gradually transferring to Asia, so Asia has become the most active economic market. As trade among the ASEAN nations continues to expand, the Asian markets continued be an engine for world exports. Wan Hai Lines has been watching this trend, and has actively carried out freight space adjustments to schedule the most suitable vessels, in order to capture the huge business opportunities in Southeast Asia cargo shipping to increase our market share and profitability. In this difficult business environment, and when facing the continued fleet expansion of the world's major shipping companies, which has led to supply imbalance, Wan Hai Lines has carefully planned and integrated shipping route assessment and operations to enhance the company's profitability. Wan Hai Lines is a robust company brand that can operated sustainably.

IV. Revenue and Expenditure

1. Revenue

The Company's revenue in 2016 amounted to NT\$57,351.49 million, a decrease of about NT\$6,507.65 million from NT\$63,859.14 million in 2015.

2. Expenditure

The Company's expenditure in 2016 was NT\$51,590.65 million, a decrease of about NT\$4,255.12 million from NT\$55,845.77 million in 2015. Mainly due to the combined effect of the two following factors:

- (1) The average ship fuel unit price fell significantly.
- (2) The number of charter days decreased, resulting in reduced rental expenses.

V. Profitability Analysis

Net profit after tax attributable to the parent company in 2016 is NT\$1,141.68 million, with earnings per share at NT\$ 0.51.

VI. Research and Development

In order to cope with future development and the rapidly changing competitive environment shipping market, the Company continued to review the existing route planning and ship operational performance, and plans to develop the following areas:

development human resource with a more international perspective to meet future challenges, and become a world-class business-model enterprise; 2. actively develop niche markets, and steadily expand route distribution in line with market demand; 3. strengthen the fleet's sailing control, improve fleet operating performance, and have the flexibility to adjust the shipment volumes and fleet plan in order to reduce carbon emissions, reduce fuel consumption, and reduce emissions; and 4. in terms of sustainable development and fulfilling social responsibility goals, the Company will carefully plan a variety of operational policies, and demand a high degree of performance from all members of the Wan Hai Lines team.

Supervisors' Report for Fiscal Year 2016

The Board of Directors has made a resolution of the Company's financial statements for 2016, business report and earnings distribution. Of which, the Company's financial statements for 2016 have been audited by KPMG through entrustment by the Board of Directors, and an audit report with unqualified opinion was issued. Pursuant to Article 219 of the Company Act, the Supervisors completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2017

WAN HAI LINES LTD.

Supervisor	Yee Sing Co., Ltd.
Representative	Chiu-Ling Wu

Supervisor	Hwa-Mei LinYen
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Supervisor	Yi Teh Optical Technology Co., Ltd.
Representative	Chih-Hsiang Chen

April 28, 2017

Supervisors' Report for Fiscal Year 2016(Consolidated)

The Board of Directors has made a resolution of the Company's consolidated business report for 2016 and consolidated financial statements for 2016. Of which, the Company's consolidated financial statements for 2016 have been audited by KPMG through entrustment by the Board of Directors, and an audit report with unqualified opinion was issued. Pursuant to Article 219 of the Company Act, the Supervisors completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2017

WAN HAI LINES LTD.

Supervisor	Yee Sing Co., Ltd.
Representative	Chiu-Ling Wu

Supervisor	Hwa-Mei LinYen
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Supervisor	Yi Teh Optical Technology Co., Ltd.
Representative	Chih-Hsiang Chen

March 17, 2017

2016 Earnings Appropriation

Unit: NTD

Item	Total
Undistributed earnings for beginning of period	1,614,528,125
Subtracted:	(120,251,173)
Other consolidated income (the remeasurements of defined benefit plans, 2016)	
Subtotal of undistributed earnings after adjustment	1,494,276,952
Added : Post-tax net income	1,141,680,063
Subtracted: Provided for legal reserve	(114,168,006)
Added : Reverse in accordance with legal provisions special reserve	1,053,281,283
Earnings available for distribution	3,575,070,292
Subtracted: items to be appropriated(Note):	
Shareholder cash dividends	(887,318,986)
Undistributed earnings for end of period	2,687,751,306
Notes:	
In accordance with the Ministry of Finance's Regulatory Letter No. 871941343, a company shall first determine the year to which earning dividends or surpluses belong. The Company's earnings appropriation principle has allocated the undistributed earnings to 2016.	

Attachment 5

Candidates List for Directors (Including Independent Directors), 20th Board of Directors

Title	Name	Number of actual participations	Shares	Position held in other company	Major academic qualifications	Notes
Director	SHIH LIN PAPER CORP.	6358	29,933,031	WAN HAI LINES LTD. Director TAIWAN FELT CO., LTD. Direct	Not Applicable	Extend to propose Representative: Po Ting Chen
Director	TAILI CORPORATION	37557	5,469,256	WAN HAI LINES LTD. Director EDISON OPTO CORPORATION Former Supervisor	Not Applicable	Extend to propose Representative: Randy Chen
Director	CHEN-YUNG FOUNDATION	53808	31,902,176	WAN HAI LINES LTD. Director	Not Applicable	Extend to propose Representative: Chih-Chao Chen
Director	SUN SHINE CONSTRUCTION CO., LTD.	79923	26,487,607	N/A	Not Applicable	Extend to propose Representative: Chiu-Ling Wu
Independent Director	RUEI-CHUEN LIU	91413	525	WAN HAI LINES LTD. Independent Director COMPENSATION COMMITTEE OF WAN HAI LINES LTD. Convener / Member STAR TRAVEL CO., LTD. Independent Director 4 th DEPARTMENT, JUDICIAL YUAN. Former Director General TAITUNG, CHIAYI, BANQIAO, AND TAIPEI DISTRICT COURTS. Former Judge and President KAOHSIUNG BRANCH COURT, TAIWAN HIGH COURT. Former Judge and President INSTITUTE FOR JUDICIAL PROFESSIONALS, JUDICIAL YUAN. Former senior rank 14 th President PUBLIC FUNCTIONARY DISCIPLINARY SANCTION COMMITTEE. Former Member	Department of Law, National Chung Hsing University	
Independent Director	RUNG-NIAN LAI	N/A	0	WAN HAI LINES LTD. Independent Director COMPENSATION COMMITTEE OF WAN HAI LINES LTD. Member COLLEGE OF CHINESE MEDICINE, CHINA MEDICAL UNIVERSITY Professor	Occupational Medicine Ph.D., National Taiwan University	

				<p>CHINA MEDICAL UNIVERSITY HOSPITAL FOR INTEGRATED MEDICINE, CHINA MEDICAL Attending Physician</p> <p>NATIONAL HEALTH INSURANCE DISPUTE MEDIATION COMMITTEE Member</p> <p>TAIPEI CHINESE MEDICAL ASSOCIATION Former Executive Director</p> <p>INTELLECTUAL PROPERTY OFFICE Former Member</p> <p>PUBLIC CONSTRUCTION COMMISSION, EXECUTIVE YUAN Former Member</p> <p>INSTITUTE OF TRADITIONAL MEDICINE, SCHOOL OF MEDICINE, NATIONAL YANG-MING UNIVERSITY. Former Assistant professor</p> <p>DIVISION OF CHINESE MEDICINE FOR WOMEN, TAIPEI CITY HOSPITAL. Former Director</p> <p>YANGMING BRANCH, TAIPEI CITY HOSPITAL. Chinese Medicine Attending Physician</p>		
Independent Director	Chih-Chuan Chen	N/A	0	<p>MEGA SECURITIES CO., LTD. Vice President</p> <p>SHIH LIN PAPER CORP. Independent Director</p> <p>COMPENSATION COMMITTEE OF SHIH LIN PAPER CORP. Member</p> <p>GRAND CATHAY SECURITIES CO., LTD Former Supervisor</p> <p>CAPITAL SECURITIES CO., LTD Former Branch Manager</p>	Master of Business Administration, Oklahoma City University	

Comparative Table: Amendments to Memorandum of Association

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 7: The Board of Directors</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors consists of 7 individuals, elected by shareholders. The term of office is three years, and directors may be reelected to serve another term. 2. The Company should be of not less than three people, and not less than one-fifth of the directors should be in attendance. The professional qualifications, restrictions on shareholdings and concurrent post, identification of independence, nomination and election, and exercise of authority, and other requirements to be complied with by the independent directors shall be handled subject to the Securities and Exchange Act and the relevant laws and regulations. 3. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors. 4. Article 208 of the Company Act shall apply when the directors' meeting is suspended. 5. The Board of Directors meets once every quarter, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the Chairman has not indicated a representative, the directors may nominate a director to take his or her place. Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors. 6. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act. 7. A directors' meeting may be convened via fax or E-mail. 8. The total number of shares of the Company held by the entirety of the Board of Directors must comply 	<p>Article 7: The Board of Directors</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors consists of 7 individuals, elected by shareholders <u>possessing the capacity to do so</u>. The term of office is three years, and directors may be reelected to serve another term. 2. <u>The Company's directors shall be nominated and elected from the name list of directors</u>. The Company should be of not less than three people, and not less than one-fifth of the directors should be in attendance. The professional qualifications, restrictions on shareholdings and concurrent post, identification of independence, nomination and election, and exercise of authority, and other requirements to be complied with by the independent directors shall be handled subject to the Securities and Exchange Act and the relevant laws and regulations. 3. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors. 4. Article 208 of the Company Act shall apply when the directors' meeting is suspended. 5. The Board of Directors meets once every quarter, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the Chairman has not indicated a representative, the directors may nominate a director to take his or her place. Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors. 6. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act. 7. A directors' meeting may be convened via fax or E-mail. 8. The total number of shares of the Company held by the entirety of the Board of Directors must 	<p>Article 7 Wording adjustment</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>with regulations as stated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the Financial Supervisory Commission.</p> <p>9. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	<p>comply with regulations as stated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the Financial Supervisory Commission.</p> <p>9. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	
<p>Article 8: <u>Audit Committee</u></p> <p><u>The Company has established an Audit Committee as a substitution for the supervisors, which began since the 20th Board of Directors. This Committee is comprised of independent directors, and shall consist of no fewer than three persons, one of whom acts as the convener, and at least one of whom is required to have accounting or financial expertise. The exercise of duties by, the organizational procedures for, and other matters that shall be reviewed by the Audit Committee shall be arranged in accordance with relevant laws and regulations or the Memorandum of Association.</u></p>	<p>Article 8: <u>Supervisor</u></p> <ol style="list-style-type: none"> 1. <u>The Supervisors of the Company consists of three individuals, elected by shareholders possessing the capacity to do so. Each term of office is three years, and Supervisors may be reelected. The Company's supervisors shall be nominated and elected from the name list of supervisors.</u> 2. <u>Supervisors conduct independent supervision in accordance to the law, and must attend the board of directors meeting as a nonvoting delegate.</u> 3. <u>Supervisors may not concurrently hold the position of director, manager, or other position at the company.</u> 4. <u>The total number of shares of the Company held by the entirety of the Supervisors must comply with regulations as stated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the Financial Supervisory Commission.</u> 5. <u>The remuneration to all Supervisors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</u> <p><u>Since the 20th term of the Company’s Board of Directors Meeting, A Supervisor has not been appointed, and from the date of the 20th term of the Company’s Board of Directors Meeting an Audit Committee has been established to exercise the Company Act, the Securities Exchange Act and other laws and regulations containing supervisory powers.</u></p>	<p>Article 8</p> <p>In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors, and the revised text will be reviewed after amendments.</p> <p>Established an Audit Committee as a substitution for the supervisors in correspondence with the amendment to the Securities and Exchange Act.</p>
<p>Article 10:</p> <p>The Company's final accounting period is at the end of December each year, the board of directors must prepare the items listed below. Figures are then given to shareholders general meeting for acknowledgement.</p> <ol style="list-style-type: none"> 1.Business Report 2.Financial Statements 3.Earnings distribution or loss reimbursement proposal 	<p>Article 10:</p> <p>The Company's final accounting period is at the end of December each year, the board of directors must prepare the items listed below, <u>which are given to the Supervisors for examination.</u> Figures are then given to shareholders general meeting for acknowledgement, <u>the shareholders general meeting must be held by the board of directors within six months of the end of the fiscal year.</u></p> <ol style="list-style-type: none"> 4.Business Report 5.Financial Statements 6.Earnings distribution or loss reimbursement proposal 	<p>Article 10</p> <p>Changed in accordance with the order pertaining to the Securities and Exchange Act.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 11: If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors. However, if there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.</p>	<p>Article 11: If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors <u>and Supervisors</u>. However, if there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.</p>	<p>Article 11 In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors, and the revised text will be reviewed after amendments.</p>
<p>Article 14: This Memorandum of Association was created on 6 January 1965. The 1st Amendment was made on 31 March 1966 The 2nd Amendment was made on 10 September 1966 The 36th Amendment was made on 14 June 2013 The 37th Amendment was made on 12 June 2015 The 38th Amendment was made on 29 June 2016 <u>The 39th Amendment was made on 22 June 2017</u></p>	<p>Article 14: This Memorandum of Association was created on 6 January 1965. The 1st Amendment was made on 31 March 1966 The 2nd Amendment was made on 10 September 1966 The 36th Amendment was made on 14 June 2013 The 37th Amendment was made on 12 June 2015 The 38th Amendment was made on 29 June 2016</p>	<p>The date of amendment was revised.</p>

Comparative Table: WAN HAI LINES LTD. Procedures for the Election of Directors

Clause after amendment	Clause before amendment	Reason for amendment
<p>WAN HAI LINES LTD. Procedures for the Election of Directors</p> <p>Article 1: All elections of the Company's Directors should be carried out according to the regulations established in these procedures, which have be created in compliance with the Company Act and the Company's Memorandum of Association.</p>	<p>WAN HAI LINES LTD. Procedures for the Election of Directors <u>and Supervisors</u></p> <p>Article 1: All elections of the Company's Directors <u>and Supervisors</u> should be carried out according to the regulations established in these procedures, which have be created in compliance with the Company Act and the Company's Memorandum of Association.</p>	<p>In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors, and the revised text will be reviewed after amendments.</p>
<p>Article 2: The election of the Company's Directors shall be carried out separately during the shareholders meeting.</p>	<p>Article 2: The election of the Company's Directors <u>and Supervisors</u> shall be carried out separately during the shareholders meeting.</p>	
<p>Article 3: The Company's election of Directors shall use a registered ballot system. Registration for the election is uses the shareholder's account number. The cumulative voting system is used to fully reflect the opinions of the shareholders.</p>	<p>Article 3: The Company's election of Directors <u>and Supervisors</u> shall use a registered ballot system. Registration for the election is uses the shareholder's account number. The cumulative voting system is used to fully reflect the opinions of the shareholders.</p>	
<p>Article 4: The Company's election of Directors counts one share as representing a number of voting rights equal to the number of Directors being elected. The Company adopts the candidate nomination system to elect by the shareholders its directors, independent directors from the name list of candidates for directors in accordance with Article 192-1 of the Company Act. Independent and non-independent directors shall be elected concurrently, and the number of the elected shall be calculated separately.</p>	<p>Article 4: The Company's election of Directors <u>and Supervisors</u> counts one share as representing a number of voting rights equal to the number of Directors (<u>Supervisors</u>) being elected. <u>The Board of Directors shall prepare and distribute ballots equal to the number of Directors (<u>Supervisors</u>) being elected to each shareholder. The ballots may be pledged towards a single candidate or be distributed to multiple candidates.</u> The Company adopts the candidate nomination system to elect by the shareholders its directors, independent directors <u>and supervisors</u> from the name list of candidates for directors <u>and supervisors</u> in accordance with Article 192-1<u>and Article 216-1</u> of the Company Act. Independent and non-independent directors shall be elected concurrently, and the number of the elected shall be calculated separately.</p>	
<p>Article 5: The Directors and independent Directors elected by the shareholders shall comply with the quota established by the Company's Memorandum of Association. <u>Pursuant to Article 14-2, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, a candidate who is elected as a director or independent director simultaneously may not assume the post of independent director.</u> If two candidates receive the same number of votes and exceed the quota for Directors, the two candidates must draw lots to decide. For non-attending candidates, the chairman shall represent him or her when drawing lots.</p>	<p>Article 5: The Directors, independent Directors <u>and Supervisors</u> elected by the shareholders shall comply with the quota established by the Company's Memorandum of Association. Those who receive a great number of votes shall be elected as Director <u>or Supervisor</u>. Those elected to the position of Director <u>or Supervisors</u> must simultaneously confirm their <u>desire to hold the position of Director or Supervisor.</u> <u>If two candidates receive the same number of votes and exceed the quota for Directors or Supervisors, the two candidates must draw lots to decide.</u> For non-attending candidates, the chairman shall represent him or her when drawing lots.</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 6: No additional ballots will be issued to common share shareholders that exercise voting rights by electronic means. Attendance card numbers printed on the ballots may be used in lieu of recording the names of voting shareholders. The Company shall prepare ballots in numbers corresponding to the directors to be elected with attendance card numbers printed on them. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the common share shareholders in attendance at the shareholders' meeting.</p>	<p>Article 6: The ballots prepared by the Board of Directors shall include the account number as well as the number of voting rights.</p>	
<p>Article 7: At the beginning of the election, the chairman must assign a ballot inspector and ballot counter to carry out inspections of ballots and counting of ballots.</p>	<p>Article 7: At the beginning of the election, the chairman must assign a ballot inspector and ballot counter to carry out inspections of ballots and counting of ballots.</p>	
<p>Article 8: A ballot box must be prepared by <u>the Company</u>, and be opened and shown by the ballot inspector before voting begins.</p> <p>Article 9: <u>A voter must enter the candidate's name or title, and may add the shareholder account number or identity card number in the "Candidate" column of the ballot.</u></p>	<p>Article 8: A ballot box must be prepared by <u>the Board of Directors</u>, and be opened and shown by the ballot inspector before voting begins.</p> <p>Article 9: <u>When a person to be elected is a shareholder, the voter must fill in the "person to be elected" column with the name and shareholder's account number. If the person to be elected is not a shareholder, the "person to be elected" column should be filled in with the name and I.D. number or passport number of the person to be elected. After this is completed, the ballot is placed inside the ballot box. In the case of a corporate entity being a shareholder, the voter must fill in the "person to be elected" column with the name of the corporate entity or its representative.</u></p>	
<p>Article 10: Ballots are deemed null and void in the case of any of the below-listed situations:</p> <ol style="list-style-type: none"> 1. <u>A voter does not hand in the sign-in card to complete the sign-in procedures.</u> 2. <u>A ballot is not the one prescribed in the Rules.</u> 3. <u>A blank ballot is placed in the ballot box.</u> 4. <u>The writing is unclear, has been altered without correction according to the law, or is indecipherable for other reasons.</u> 5. <u>The name of the candidate entered in the ballot is not a candidate for election.</u> 6. <u>Single ballots with a number of persons to be elected exceeding the prescribed quota.</u> 7. <u>Ballots with other writing on it apart from the name and shareholder account number, I.D. Number, or passport number of the person to be elected.</u> 8. <u>Ballots where the name of the person to be elected is the same as another person to be elected, and a shareholder account number, I.D. number, or passport number is not provided to differentiate.</u> 	<p>Article 10: Ballots are deemed null and void in the case of any of the below-listed situations:</p> <ol style="list-style-type: none"> 1. Those ballots not using the regulations of the voting procedures. 2. Blank ballots inserted into the ballot box 3. Ballots with illegible handwriting or changes made without following proper procedure. 4. Ballots with the recorded name of the person to be elected not conforming to the shareholders registration record. 5. Single ballots with a number of persons to be elected exceeding the prescribed quota. 6. Ballots with other writing on it apart from the name and shareholder account number, I.D. Number, or passport number of the person to be elected. 7. Ballots where the name of the person to be elected is the same as another person to be elected, and a shareholder account number, I.D. number, or passport number is not provided to differentiate. 	

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 11: <u>After voting of the elections of the Directors, votes shall be counted on the spot. The election results shall be announced by the chairman on the spot.</u></p>	<p>Article 11: Two ballot boxes shall be provided for the elections of the Directors and Supervisors. After separately voting, votes are to be counted on the spot. The election results shall be announced by the chairman on the spot.</p>	
<p>Article 12: <u>An elected director and independent director shall issue a letter of consent to the appointment before the deadline established in the notice by the Company. Issuance of such a letter after the deadline will be regarded as unwilling to assume the position and an abandonment of the title of the electee.</u></p>	<p>Article 12: Elected Directors and Supervisors shall be separately notified of their election by the Board of Directors.</p>	
<p>Article 13: These procedures and subsequent amendments were same applies implemented after adoption by the shareholders meeting.</p>	<p>Article 13: These procedures and subsequent amendments were same applies implemented after adoption by the shareholders meeting.</p>	
<p>Article 14: These procedures were created on 21 May 1996 The 1st amendment was made on 29 June 2002 The 2nd amendment was made on 27 June 2012 The 3rd amendment was made on 14 June 2013 <u>The 4nd amendment was made on 22 June 2017</u></p>	<p>Article 14: These procedures were created on 21 May 1996 The 1st amendment was made on 29 June 2002 The 2nd amendment was made on 27 June 2012 The 3rd amendment was made on 14 June 2013</p>	<p>The date of amendment was revised</p>

Comparative Table: Regulations for Acquisition and Disposal of Assets by WAN HAI LINES LTD. And Its Subsidiaries

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 1: <u>The Company shall follow The Asset Acquisition and Disposal Processing Procedures. Any matters not subject these procedures, shall be handled in accordance with the relevant laws and regulations.</u> <u>The Company is engaged in financial derivative transactions, in which the regulations that apply are provided by the Company's Procedures for the Acquisition or Disposals of Financial Derivatives.</u></p>	<p>Article 1: Matters regarding the acquisition or disposal of assets that are not regulated by the "Rules for Property Procurement and Sale of Scrapped Equipment" issued by the Company, shall all be regulated by these regulations.</p>	<p>Revised in accordance with the newly issued Collected Answers Relating to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 3: The process for handling the procurement or disposal of assets as listed in Article 2 is as follows:</p> <ol style="list-style-type: none"> 1. The acquisition or disposal of property and equipment used for business operations, memberships, or intangible assets and other important assets should be handled according to the Company's "Rules for Property Procurement and Sale of Scrapped Equipment". 2. The sale and purchase of securities shall be subject to Company approval in accordance with the Securities Accounting Transaction Processing Procedures by the Chief Financial Officer in accordance with the capital situation and market conditions, as presented to the General Manager, or Upper Management, or an authorized agent. 3. Fixed Quota: <ol style="list-style-type: none"> (1) The sum of non-business operation related procurement of immovable property by the Company or its subsidiaries shall not exceed 120% of the Company's shareholder equity. (2) The sum of investments by the Company or its subsidiaries containing negotiable securities shall not exceed 100% of the Company's shareholder equity. (3) The sum of investments by the Company or its subsidiaries in individual securities shall not exceed 50% of the Company's shareholder equity; however those cases gaining approval by the Board of Directors are not restricted. <p>..... </p>	<p>Article 3: The process for handling the procurement or disposal of assets as listed in Article 2 is as follows:</p> <ol style="list-style-type: none"> 1. The acquisition or disposal of property and equipment used for business operations, memberships, or intangible assets and other important assets should be handled according to the Company's "Rules for Property Procurement and Sale of Scrapped Equipment". 2. In accordance with "the Accounting Procedures for Negotiable Securities" issued by the Company, the purchase and sale of any negotiable securities may only be executed by the chief financial officer after approval by the president, upper management, or authorized representative, of a report detailing capital allocation and market prices. 3. Fixed Quota: <p>The sum of non-business operation related procurement of immovable property by the Company or its subsidiaries shall not exceed 120% of the Company's shareholder equity.</p> <p>The sum of investments by the Company or its subsidiaries containing negotiable securities shall not exceed 100% of the Company's shareholder equity.</p> <p>The sum of investments by the Company or its subsidiaries in individual securities shall not exceed 50% of the Company's shareholder equity; however those cases gaining approval by the Board of Directors are not restricted.</p> <p>..... </p>	<ol style="list-style-type: none"> 1. Subparagraph 5 is moved from the original Article 5. 2. The amendment is conducted in accordance with the Order of Financial-Supervisory Securities-Corporate No.10200531121 issued by the Financial Supervisory Commission and the newly amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and Wording adjustment

Clause after amendment	Clause before amendment	Reason for amendment
<p>5. <u>Professional appraiser: Refers to a real property appraiser or other person duly authorized by the laws to engage in the value appraisal of real property or equipment.</u></p> <p>6. <u>For a proposal that shall be adopted by the board of directors pursuant to the Regulations or other laws, if there are directors whose disagreement appears on record or is expressed in writing, the Company shall forward the data of disagreement by the directors to the Audit Committee. A transaction of major assets shall be approved with the consent of one-half or more of the entire membership of the Audit Committee and proposed to the board of directors meeting for a resolution. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.</u></p>		
<p>Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:</p> <p>1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission within two days of the occurrence of the event, according to the prescribed format:</p> <p>(1) Intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. <u>Provided, this shall not apply to trading of government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of domestic money market funds issued by securities investment enterprises.</u></p> <p>(2) Conducting mergers, spin-offs, purchases, or assignation of shares</p> <p>(3) The types of assets acquired or disposed are those used for business purposes, and the object of the transaction object is not related to</p>	<p>Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:</p> <p>1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission within two days of the occurrence of the event, according to the prescribed format:</p> <p>(1) Intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.</p> <p>(2) Conducting mergers, spin-offs, purchases, or assignation of shares</p> <p>(3) When losses from engagement in derivative product transactions reaches the full limit as set by the regulating process or individual</p>	<p>1. The amendment is conducted in accordance with the Order of Financial-Supervisory-Securities-Corporate No.1060001296 issued by the Financial Supervisory Commission and the newly amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p> <p>2. Derivatives trading has been additionally prescribed in the "Regulations Governing the Acquisition and Disposal of Derivatives by Wan Hai Lines Ltd. and</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>personal property. <u>The transaction amount is more than NT\$ 1 billion. Or for a subsidiary company, with a capital of less than NT\$ 10 billion and the transaction amount being more than NT\$ 500 million.</u></p> <p>(4) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the sum of the company expects to invest in the transaction is more than NT\$500 million.</u></p> <p>(5) In addition to the four asset transactions listed above, disposition of claims by financial institutions, or engagement in investment in Mainland China, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances do not fall under these restrictions:</p> <p>A. Trading of government bonds.</p> <p>B. <u>Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of common corporate bonds and non-equity-linked common financial bonds offered in the primary market domestically, or subscription by securities firms having the need because of acting as underwriters or recommending securities firms for emerging companies in accordance with the TPEX regulations.</u></p> <p>C. <u>Trading of bonds under repurchase/reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment enterprises.</u></p> <p>.....</p> <p>.....</p> <p>3. "Within the preceding year" as used in the preceding paragraph refers to the year</p>	<p>contracts.</p> <p>In addition to the three asset transactions listed above, disposition of claims by financial institutions, or engagement in investment in Mainland China, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances do not fall under these restrictions:</p> <p>(1) Trading of government bonds.</p> <p>(2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations.</p> <p>(3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.</p> <p>(4) <u>Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p>(5) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the sum of the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>.....</p> <p>.....</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year</p>	<p>Its Subsidiaries," so the rules with respect to "Derivatives Trading" are deleted.</p>
<p>3. "Within the preceding year" as used in the preceding paragraph refers to the year</p>	<p>"Within the preceding year" as used in the preceding paragraph refers to the year</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>4. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items <u>shall be again publicly announced and declared in their entirety within two days from the day of becoming aware of the occurrence.</u></p> <p>.....</p> <p>.....</p>	<p>preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>.....</p> <p>.....</p>	
<p>Article 5: For all assets conforming to the standards outlined in Article 2 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.</p> <p>1. For the acquisition or disposal of real estate or equipments, apart from transactions with governmental organizations, construction on owned land, engaging others to build on rented land, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of equipment for business operation, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, an appraisal report by a professional appraisal institution must be obtained before the day of transaction. Additionally, it must conform to the following regulations:</p> <p>.....</p> <p>.....</p> <p>(2) If the transaction amount is over NT\$1,000,000,000, two or more professional appraisal reports must be obtained. °</p> <p>(3) <u>Where any one of the following circumstances applies with respect to the appraisal results of professional appraisal reports, unless all the appraisal results for the assets to be</u></p>	<p>Article 5: For all assets conforming to the standards outlined in Article 2 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.</p> <p>1. For the acquisition or disposal of real estate or equipments, apart from transactions with governmental organizations, construction on owned land, engaging others to build on rented land, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of equipment for business operation, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, an appraisal report by a professional appraisal institution must be obtained before the day of transaction. Additionally, it must conform to the following regulations:</p> <p>.....</p> <p>.....</p> <p>(2) If the appraised value of a professional appraisal report is different from the transaction amount by more than 20%, unless the appraised value of an acquired asset is lower than transaction amount , or the appraised value of a disposed asset is higher than the transaction amount, a CPA should provide a concrete opinion concerning</p>	<p>The amendment is conducted in accordance with the Order of Financial-Supervisory-Se curities-Corporate No.10200531121, No.1050044504 and No.1060001296 issued by the Financial Supervisory Commission and the newly amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p><u>acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter abbreviated as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</u></p> <p>A. <u>The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.</u></p> <p>B. <u>The discrepancy between the appraisal results by at least 2 professional appraisers reaches 10% or more of the transaction amount.</u></p> <p>(4) The date of the completion of a professional appraisal report and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.</p> <p>2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a</p>	<p>the reason for difference in price, and an evaluation of the fairness of the transaction amount, in accordance with Auditing Standard No. 20 contained in the Statements of Auditing Standards issued by the Accounting Research and Development Foundation (ARDF). The so-called difference between an appraisal results and the transaction amount uses the transaction amount as a benchmark.</p> <p>(3) If the transaction amount is over NT\$1,000,000,000, two or more professional appraisal reports must be obtained. If the appraised values of two or more professional appraisal reports are different from the transaction amount by more than 10%, unless the appraised value of an acquired asset is lower than the transaction amount, or the appraised value of an disposed asset is higher than the transaction amount, a CPA should provide a concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction amount, in accordance with Auditing Standard No. 20 contained in the Statements of Auditing Standards issued by ARDF.</p> <p>(4) The date of the completion of a professional appraisal report and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.</p> <p>(5) Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. However, the provisions shall not apply if there are publicly quoted prices of such securities in an active market or any of the conditions as below is met:</p> <p>(1) <u>Securities acquired through cash contribution in an incorporation by promotion or by public offering pursuant to the Company Act, and the rights represented by the securities acquired are equivalent to the percentage of cash contribution.</u></p> <p>(2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.</p> <p>(3) Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.</p> <p>(4) Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.</p> <p>(5) Public Bonds, repurchased bonds, or resale bonds</p> <p>(6) <u>Onshore or offshore publicly offered funds.</u></p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment.</p> <p>(8) <u>Securities acquired through the Company's sponsorship of a cash capital increase by a public company or subscription of domestic corporate bonds (including financial bonds), when the securities acquired are not privately placed.</u></p> <p>(9) <u>Subscription to domestically privately placed fund shares before the establishment of a fund in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription or redemption of domestically privately placed funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside</u></p>	<p>provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>(1) Negotiable securities established by promotion or stock flotation that were acquired by cash contributions.</p> <p>(2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.</p> <p>(3) Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.</p> <p>(4) Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.</p> <p>(5) Public Bonds, repurchased bonds, or resale bonds</p> <p>(6) Domestic or foreign endowments.</p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment.</p> <p>(8) Negotiable securities where the public issuing company use cash injection subscription, and the acquired negotiable securities are not considered private placement.</p> <p>(9) Endowments which were purchased before establishment, which were conformed with the regulations established in Item 1, Article 11 of the Securities Investment Trust and Consulting Act, and decree No. 09300005249 made by the Financial Supervisory Commission on 1 November 2004.</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p><u>from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.</u></p> <p>(10) <u>Other laws and regulations or rules of the competent authority.</u></p> <p>3. <u>Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets reaches 20% of the Company's paid-in capital or NT\$300 million, prior to the date of the event, the opinion of a rational transaction price shall be sought from a Certified Public Accountant; this Certified Public Accountant shall handle the matter in accordance with the provision of Auditing Standard No. 20 published by the Accounting Research and Development Foundation.</u></p> <p>4. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.</p> <p>5. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except for trading government bonds or bonds with repurchase or reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved with the consent of one-half or more of the entire membership of the Audit Committee, and submitted to and resolved by the board of directors. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.</p>	<p>(10) Domestic private equity funds that are purchased or bought back. If the trust deed clearly states investment strategy, except for products such as securities credit transactions and those securities which have yet to be written off, the remainder is the same as the private equity funds investment scope.</p> <p>3. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.</p> <p>4. When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>(1) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>.....</p> <p>.....</p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment.</p> <p>.....</p> <p>.....</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amounts.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>6. When the sum of a real estate transaction carried out between the Company and parties concerned is higher than the estimate for the acquisition of real estate, and objective evidence, a professional appraisal, or a substantive and reasonable opinion from a CPA explaining the discrepancy cannot be obtained, the Board of Directors shall thoroughly assess whether the transaction violates the rights of the Company or shareholders. When necessary, the board shall reject the transaction. If the board approves such a transaction, the Company must conduct the following items:</p>	<p>(1) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>.....</p> <p>.....</p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment.</p> <p>(8) Negotiable securities where the public issuing company use cash injection subscription, and the acquired negotiable securities are not considered private placement.</p> <p>.....</p> <p>.....</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors <u>and recognized by the Supervisors</u> need not be counted toward the transaction amounts.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>5. When the sum of a real estate transaction carried out between the Company and parties concerned is higher than the estimate for the acquisition of real estate, and objective evidence, a professional appraisal, or a substantive and reasonable opinion from a CPA explaining the discrepancy cannot be obtained, the Board of Directors shall thoroughly assess whether the transaction violates the rights of the Company or shareholders. When necessary, the board shall reject the transaction. Supervisors shall also exercise their authority and, when necessary, request that the board</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>(1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.</p> <p>(2) The members of independent directors of the Audit Committee shall comply with Article 218 of the Company Act.</p> <p>(3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>7. Transactions with interested parties approved by the Board of Directors still must be granted approval at a shareholders meeting in a vote not attended by the aforementioned interested parties or their related parties.</p> <p>(1) The transaction amount is higher than the estimate by 20% or more.</p> <p>(2) The transaction amount or conditions have a major impact on company operations.</p> <p>(3) The transaction has a major impact on shareholder rights.</p> <p>(4) Other transactions that the Board of Directors recommends for shareholder resolution.</p> <p>8. When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage CPAs, attorneys, or securities underwriters to provide professional opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for a deliberation and passage. Provided, where the Company merges the subsidiaries whose issued shares or total capital are wholly owned by itself directly or indirectly, or the subsidiaries whose issued shares or total capital are wholly owned by the Company directly or indirectly are merged together, the Company may be exempted from obtaining the opinion on the reasonableness from the aforementioned experts.</p> <p>When the Company participates in a</p>	<p>stop a transaction. If the board approves such a transaction and supervisors accept it, the Company must conduct the following items:</p> <p>(1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.</p> <p>(2) The supervisor should handle it according to Article 218 of the Company Act.</p> <p>(3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>6. Transactions with interested parties approved by the Board of Directors still must be granted approval at a shareholders meeting in a vote not attended by the aforementioned interested parties or their related parties.</p> <p>(1) The transaction amount is higher than the estimate by 20% or more.</p> <p>(2) The transaction amount or conditions have a major impact on company operations.</p> <p>(3) The transaction has a major impact on shareholder rights.</p> <p>(4) Other transactions that the Board of Directors recommends for shareholder resolution.</p> <p>7. When the Company participates in a merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record, and saved for 5 years auditing purposes. Basic staff information and dates of important matters must submitted to the Financial Supervisory Commission via the Internet information reporting system for reference within two days of approval by the Board of Directors.</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record, and saved for 5 years auditing purposes. Basic staff information and dates of important matters must be submitted to the Financial Supervisory Commission via the Internet information reporting system for reference within two days of approval by the Board of Directors.</p>		
<p>Article 7: For the calculation of 10% of total assets under these regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>A subsidiary company shall apply the process of the forth article announcement reporting standards, where the provisions state that "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", and the company shall use paid-in capital or total assets to serve as the standard. <u>The regulation of the amount of the paid-up capital of NT\$ 10 billion, shall be based on the paid-in capital of the subsidiary company.</u></p> <p>A subsidiary company shall apply the process of the fifth article relating to expert advice and a stakeholder should perform the procedures for transactions. Based on the provisions relating to "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", the subsidiary company shall use paid-in capital or total assets to serve as the standard. <u>In the case where the subsidiary company has non-par-value stock or the price per stock is not equivalent to NT\$ 10, the amount of the paid-in</u></p>	<p>Article 7: For the calculation of 10% of total assets under these regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>For subsidiary company stock without denomination or with every denomination not being 10 New Taiwan dollars, the calculation of the transaction amount 20% of paid-in capital under these regulations, 10% of equity attributable to owners of the parent shall be substituted.</p> <p>A subsidiary company shall apply the process of the forth article announcement reporting standards, where the provisions state that "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", and the company shall use paid-in capital or total assets to serve as the standard.</p> <p>A subsidiary company shall apply the process of the fifth article relating to expert advice and a stakeholder should perform the procedures for transactions. Based on the provisions relating to "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", the subsidiary company shall use paid-in capital or total assets to serve as the standard.</p>	<p>Revised in accordance with the newly issued Collected Answers Relating to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<u>capital shall be provided as 20% of the transaction regulation amount or NT\$ 10 billion, where the affiliated parent company owners amount is 10% or NT\$ 20 billion.</u>		
<p>Article 9: The Regulations, and any amendments thereto, shall be approved with the consent of one-half or more of the entire membership of the Audit Committee and resolved and adopted by the board of directors, and then approved by the shareholders' meeting before becoming effective.</p> <p><u>Any matter in the preceding paragraph that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.</u></p> <p>The subsidiaries shall also set the "Regulations Governing the Acquisition and Disposal of Assets." Such Regulations, and any amendments thereto, shall be adopted by the boards of directors and then submitted to the Company's board of directors for reference.</p> <p><u>Prior to engaging in acquisition or disposal, a subsidiary company should act in accordance with The Asset Acquisition and Disposal Processing Procedures.</u></p>	<p>Article 9: The Procedures, as well as subsequent amendments, should be approved by the Board of Directors firstly and sent to all Supervisors for approval. The amended procedures will be implemented after approval by the shareholders meeting.</p> <p>Subsidiary Companies must also provide "Regulations for Acquisition and Disposal of Assets". After approval by the Board of Directors, it shall be submitted to the shareholders meeting of both parties, as well as subsequent amendments.</p>	<p>The amendment is conducted in accordance with the Order of Financial-Supervisory-Securities-Corporate No.10200531121 issued by the Financial Supervisory Commission and the newly amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Revised in accordance with the newly issued Collected Answers Relating to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 10: These regulations were created on 18 May 1990 The 1st amendment was made on 1 May 1992 The 8th amendment was made on 12 June 2015 The 9th amendment was made on 22 June 2017</p>	<p>Article 10: These regulations were created on 18 May 1990 The 1st amendment was made on 1 May 1992 The 8th amendment was made on 12 June 2015</p>	<p>The date of amendment was revised</p>

Comparative Table: Regulations Governing the Acquisition and Disposal of Derivatives by Wan Hai Lines Ltd. and its Subsidiaries

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 1: The Regulations are established in order to protect investments, implement information disclosure and strengthen the Company's establishment of the risk management system for derivatives trading. The matters that are not prescribed in the Regulations, if any, shall be conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the "Regulations Governing the Acquisition and Disposal of Assets by Wan Hai Lines Ltd. and Its Subsidiaries" and the applicable laws and regulations.</p>	<p>Article 1: The Regulations are established in order to protect investments, implement information disclosure and strengthen the Company's establishment of the risk management system for derivatives trading.</p>	As stipulated in the supplementary specification index.
<p>Article 2: Derivatives as used in the Regulations refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.</p>	<p>Article 2: Derivatives as used in the Regulations refer to forward contracts, options, futures and swap, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.</p>	In accordance with Article 4, Sub-paragraph 1 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
<p>Article 3: "Forward contracts" as used in the Regulations do not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p>	<p>Article 3: "Trade contracts" as used in the Regulations do not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p>	In accordance with Article 4, Sub-paragraph 1 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
<p>Article 5: The division of authorities for the Company to engage in issuance or transaction of all types of derivatives, performance evaluations, total amount of derivatives contracts that may be traded, and the maximum loss limit for individual contracts shall be set forth in the Regulations. The maximum limit on the total amount of derivatives contracts that are traded by the Company shall be based on the existing and expected forthcoming transactions for the hedged subject and the net positions of assets and liabilities.</p>	<p>Article 5: The division of authorities for the Company to engage in issuance or transaction of all types of derivatives, performance evaluations, total amount of derivatives contracts that may be traded, and the maximum loss limit for individual contracts shall be set forth in the Regulations. The maximum limit on the total amount of derivatives contracts that are traded by the Company shall be based on the existing and expected forthcoming transactions for the hedged subject and the net positions of assets and liabilities.</p>	Wording adjustment
<p>Article 7: 1. The list of trading subjects and product types that are ratified include: (1) Forward Contracts (2) Options Contracts (3) Futures Contracts (4) Swap Contracts (5) Leveraged Contracts (6) Compound Contracts Combining the Above Products</p>	<p>Article 7: 1. The list of trading subjects and product types that are ratified include: (1) Forward Contracts (2) Options (3) Futures (4) Swap (5) Compound Contracts Combining the Above Products</p>	In accordance with Article 4, Sub-paragraph 1 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
<p>Article 7: 3. The maximum trading limit and loss limit for an individual product traded and all transactions that are ratified include: (1) Trading Department: The Finance Department will conduct transactions.</p>	<p>Article 7: 3. The maximum trading limit and loss limit for an individual product traded and all transactions that are ratified include: (1) Trading Department: The Finance Department will conduct transactions.</p>	In accordance with Article 8, Sub-paragraph 3 of the "Regulations Governing the Acquisition and

Clause after amendment	Clause before amendment	Reason for amendment
<p>(2) Traders: To be assumed by the division heads (included) or more senior supervisors of the Finance Department.</p> <p>(3) Products to be traded: To be implemented in accordance with the aforementioned Subparagraph 1 of Article 7.</p> <p>(4) Authorization of trading amounts: The Finance Department shall, before conducting derivatives trading, submit the limits on the products to be traded to the Audit Committee to obtain the consent from one-half or more of the entire membership of the Audit Committee and then report such to the board of directors for implementation. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the Board of Directors' meeting minutes.</p> <p>(5) The maximum loss limit on derivatives trading is as follows:</p> <p>A. Contract with individual hedging subject: 25% of the contract amount and the total loss in a given year surpassing 4% of the Company's paid-in capital in the year of trading.</p> <p>B. All contracts: 8% of total contract amount and the total loss in a given year surpassing 8% of the Company's paid-in capital in the year of trading. When a contract with individual hedging subjects or all contracts reach the maximum loss limit upon assessment at the end of the month for two consecutive months, a proposal shall be submitted to the President to decide whether to stop the loss or not, and the disposal condition shall be reported during the next board meeting.</p>	<p>(2) Traders: To be assumed by the division heads (included) or more senior supervisors of the Finance Department.</p> <p>(3) Products to be traded: To be implemented in accordance with the aforementioned Subparagraph 1 of Article 7.</p> <p>(4) Authorization of trading amounts: The Finance Department shall, before conducting derivatives trading, submit the limits on the products to be traded and report such to the board of directors for implementation.</p> <p>(5) The maximum loss limit on derivatives trading is as follows: Contract with individual hedging subject: 25% of the contract amount and the total loss in a given year surpassing 4% of the Company's paid-in capital in the year of trading. All contracts: 8% of total contract amount and the total loss in a given year surpassing 8% of the Company's paid-in capital in the year of trading. When a contract with individual hedging subjects or all contracts reach the maximum loss limit upon assessment at the end of the month for two consecutive months, a proposal shall be submitted to the President to decide whether to stop the loss or not, and the disposal condition shall be reported during the board meeting.</p>	<p>Disposal of Assets by Public Companies" and Order of Financial-Supervisory -Securities-(1) No. 0950005718.</p>
<p>Article 8: 1. To submit written report of the purpose, period, amount, trading terms and counter-parties for the required derivatives trading.</p>	<p>Article 8: To submit written report of the purpose, period, amount, trading terms and counter-parties for the required derivatives trading to general manager or chairman of the board.</p>	<p>Wording adjustment</p>
<p>Article 10: When the Company conducts derivatives trading in the centralized trading market, the supervisor of the Finance Department shall, based on the type of product, establish the total trading limit within the scope of the maximum limit on total amount of derivatives contracts provided in the second half of Article 5 and then obtain the authorization pursuant to the procedures established in Article 7, Subparagraph 3.</p>	<p>Article 10: When the Company engages in derivatives trading in the centralized trading market, the supervisor of the finance department shall draw up the total trading limit based on the type of products to be submitted to the board of directors for authorization. When there are drastic changes in the market or other needs, the supervisor of the finance department may increase or decrease the total authorized limit after obtaining an approval from the board of directors.</p>	<p>Wording adjustment</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 11: The Company shall publicly announce and report their engagement in derivatives trading by itself and its subsidiaries that are non-public companies domestically on the designated website in a format as prescribed by the competent authority before the 10th day of each month. When the Company and its subsidiaries that are non-public companies domestically reach the maximum loss limit on all or individual contract established in the Regulations while engaging in derivatives trading, they shall publicly announce and report the relevant information on the website designated by the competent authority within two days from the occurrence in a prescribed format based on its nature.</p>	<p>Article 11: The Company shall publicly announce and report the information relating to itself and the major subsidiaries on the website designated by the Financial Supervisory Commission, Executive Yuan before the 10th day of each month.</p>	<p>In accordance with Article 30 and 33 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>
<p>Article 13: The Company's audit supervisor or personnel shall report the audit report of derivatives trading along with the execution conditions of the annual audit plan for the same year to the competent authority before the end of February every year.</p>	<p>Article 13: The Company's audit supervisor or personnel shall report the audit report of derivatives trading along with the annual audit report of internal audit, annual audit tasks of internal audit and execution conditions of the annual audit plan to the Securities and Exchange Commission of the Ministry of Finance before the end of February every year.</p>	<p>In accordance with Article 19 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies."</p>
<p>Article 14: The Company shall report the deficiencies discovered in the procedures of derivatives trading and correction conditions for irregularities to the competent authority for reference before the end of May every year.</p>	<p>Article 14: The Company shall report the correction conditions for irregularities discovered in the procedures of derivatives trading to the Securities and Exchange Commission of the Ministry of Finance for reference before the end of May every year.</p>	<p>Wording adjustment</p>
<p>Article 17: The Company shall establish a log book while engaging in derivatives trading and conduct timely performance evaluations in accordance with the following methods.</p>	<p>Article 17: The Company shall derivative trading and conduct timely performance evaluations in accordance with the following methods.</p>	<p>In accordance with Article 21 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>
<p>Article 23: When a Company's personnel member violates the Regulations, a report on assessment shall be arranged in accordance with the Company's Human Resource Management Measures and the employee manual. The punishment will be imposed based on the severity and the evidence of the case.</p>	<p>Article 23: When a Company's managers and person in charge violate the Regulations, a report on assessment shall be arranged in accordance with the Company's Human Resource Management Measures and the employee manual. The punishment will be imposed based on the severity and the evidence of the case.</p>	<p>Wording adjustment</p>
<p>Article 24: After consent has been obtained for the Regulations from one-half or more of the entire membership of the Audit Committee, the Regulations shall be submitted to the Board of Directors for resolution and then submitted to the shareholders' meeting for adoption before they are implemented. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire Board of Directors, and the resolution of the Audit Committee shall be recorded in the Board of Directors meeting minutes, as well as subsequent amendments.</p>	<p>Article 24: The Procedures, as well as subsequent amendments, should be approved by the Board of Directors firstly and sent to all Supervisors for approval. The amended procedures will be implemented after approval by the shareholders meeting.</p>	<p>In accordance with Article 6 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 25: These procedures were created on 12 Mar 1998 The 1st amendment was made on 6 Jun 2003 The 2nd amendment was made on 23 June 2005 The 3rd amendment was made on 23 June 2006 The 4th amendment was made on 18 June 2008 The 5th amendment was made on 24 June 2011 <u>The 6th amendment was made on 22 June 2017</u></p>	<p>Article 25: These procedures were created on 12 Mar 1998 The 1st amendment was made on 6 Jun 2003 The 2nd amendment was made on 23 June 2005 The 3rd amendment was made on 23 June 2006 The 4th amendment was made on 18 June 2008 The 5th amendment was made on 24 June 2011</p>	<p>The date of amendment was revised</p>

Comparative Table: Procedure of Loaning of Funds for WAN HAI LINES LTD. and its Subsidiaries

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 2: The Company and its subsidiaries' counterparts of loan are limited to those circumstances listed below:</p> <ol style="list-style-type: none"> Any company which has a business relationship with the Company or its subsidiaries. Any company which requires short-term financing with the Company or its subsidiaries. <p>The term "short-term" in the preceding paragraph refers to a period of one year, or where the company's operating cycle exceeds one year, one operating cycle.</p> <p>The foreign companies in which the Company holds 100% of the shares with direct or indirect voting rights may loan funds to each other.</p>	<p>Article 2: The Company' s counterparts of loan are limited to those circumstances listed below:</p> <ol style="list-style-type: none"> Any company which has a business relationship with the Company; Any company which requires short-term financing with the Company. <p>The foreign companies in which the Company holds 100% of the shares with direct or indirect voting rights may loan funds to each other.</p>	<p>This is conducted in accordance with Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>
<p>Article 3: The Company and its subsidiaries shall specify the duration of loans and calculation of interest while loaning funds to others.</p> <p><u>The aggregate amount of loaned funds of a lending company (namely the company to lend funds) shall not exceed 40 percent of the lending company's net worth, and may not exceed the limits as below:</u></p> <ol style="list-style-type: none"> For companies or firms which have business transactions with the Company, the loaned funds shall not exceed the total transaction amount between both parties for the latest one year; For any company or firm which requires short-term financing with the Company, the individual loaned funds shall not be the lower of 20% of the Company' s net worth or 40% of the net worth of the company or firm. <u>An individual loaned amount between the foreign companies whose voting shares are wholly owned the Company directly or indirectly shall not exceed 35 percent of the lending company's net worth. The board of directors shall refer to the purpose of financing and the market situation to set the duration of loans and calculation of interest.</u> 	<p>Article 3: The total funds loaned by the Company shall not exceed 40% of the Company' s net worth, and shall have the following limits:</p> <ol style="list-style-type: none"> For companies or firms which have business transactions with the Company, the loaned funds shall not exceed the total transaction amount between both parties for the latest one year; For any company or firm which requires short-term financing with the Company, the individual loaned funds shall not be the lower of 20% of the Company' s net worth or 40% of the net worth of the company or firm. Financing among the foreign companies wholly owned by the Company, directly or indirectly, the Company's financing to any subsidiary, and the financing of the Company' s subsidiary to the Company shall be exempted from the restrictions defined in the subparagraphs 1 and 2 herein. <p>The restriction in subparagraphs 1 and 2 herein shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, it is still necessary to define the aggregate amount of loans and maximum amount permitted to a single borrower and also expressly state the time limit of financing and method of interest accrual.</p>	<p>This is conducted in accordance with Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>
<p>Article 4: The Procedure for loaning of funds for the Company and its subsidiaries to others is specified as following:</p> <ol style="list-style-type: none"> The company requesting for a loan must make an application to the lending company. Before loaning funds to others, a careful evaluation of whether or not it conforms to the regulations of the Regulations Governing 	<p>Article 4: The Procedure for loaning of funds to others is specified as following:</p> <ol style="list-style-type: none"> The borrower shall complete the "Financing Request Form" and submit the same to the finance department. Before loaning funds to others, a careful evaluation of whether or not it conforms to the regulations of the Regulations Governing 	<p>In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, as well as these operating procedures. After undergoing analysis using these regulations, such examination and evaluation results shall be submitted to the Chairman for approval, forwarded to the Audit Committee in order to obtain the consent, and then proposed to the board of directors for a resolution without delegating any others to make decision. The evaluation report shall include:</p> <p>(1) Whether the loan of funds to others is necessary and reasonable.</p> <p>(2) Credit investigation and risk assessment of the borrower.</p> <p>(3) The effect upon the Company's operating risk, financial condition and shareholders' equity.</p> <p>(4) Whether or not collateral is required, and the evaluation of the worth of the collateral.</p> <p>3. The financing between the Company and any of the Company's subsidiaries, or between the Company's subsidiaries shall be subject to the provisions in the preceding subparagraph and be submitted to the Chairman for approval, forwarded to the Audit Committee in order to obtain the consent, and then proposed to the board of directors for a resolution.</p> <p>4. If there are independent directors, ample consideration of the opinions of all independent directors is necessary. The explicit agreement or opposition of the independent directors, as well as their reasons for opposition, must be recorded in the minutes of the Board of Directors.</p>	<p>Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, as well as these operating procedures. After undergoing analysis using these regulations, the results should be submitted to the Board of Directors for resolution without delegating any others to make decision. The evaluation report shall include:</p> <p>(1) Whether the loan of funds to others is necessary and reasonable.</p> <p>(2) Credit investigation and risk assessment of the borrower.</p> <p>(3) The effect upon the Company's operating risk, financial condition and shareholders' equity.</p> <p>(4) Whether or not collateral is required, and the evaluation of the worth of the collateral.</p> <p>3. The financing between the Company and any of the Company's subsidiaries, or between the Company's subsidiaries shall be subject to the resolution of the Board of Directors in the manner referred to in the preceding paragraph. Meanwhile, the Chairman of the Board may be authorized to agree to the allocation of funds in installments or cycle disbursement to the same borrower under the specific limit resolved by the Board of Directors and within the time limit of no more than one year. The limit of loans granted to a single entity shall be no more than 10% of the net worth identified in the Company's latest financial statement, unless Article 2.2 herein is met.</p> <p>4. If there are independent directors, ample consideration of the opinions of all independent directors is necessary. The explicit agreement or opposition of the independent directors, as well as their reasons for opposition, must be recorded in the minutes of the Board of Directors.</p>	
<p>Article 5: <u>A borrowing counter-party must fill out the "Application Form of Loan Request" to make an application to the lending company before the lending company appropriates funds. It shall also hand over a promissory note with blank due day to be safeguarded by the lending company.</u></p>	<p>Article 5: The borrower shall deliver the promissory note bearing an unspecified expiry date before the Company allocates the funds. The promissory note shall be kept by the finance department</p>	<p>Wording adjustment</p>
<p>Article 6: Upon allocation of the funds, it is necessary to take note of the <u>borrowing counter-party's</u> finance, business and credit rating, and the change in the value of the collateral, if any, from time to time. Any material change shall be reported to the Chairman of the Board immediately, and sufficient action shall be taken as per the Chairman's instructions. The <u>borrowing counter-party</u> shall calculate the</p>	<p>Article 6: Upon allocation of the funds, it is necessary to take note of the borrowers' finance, business and credit rating, and the change in the value of the collateral, if any, from time to time. Any material change shall be reported to the Chairman of the Board immediately, and sufficient action shall be taken as per the Chairman's instructions. The borrower shall calculate the payable interest</p>	<p>Wording adjustment</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>payable interest when the repayment of a loan is due or repay the loan prior to expiry date. Upon repayment of the principal and interest, the promissory note may be returned to the <u>borrowing counter-party</u> or the mortgage may be cancelled.</p> <p>The borrower shall repay the principal and interest prior to expiration of the loan.</p> <p>If the <u>borrowing counter-party</u> fails to make the repayment and needs to apply for an extension, it shall submit an application to the Board of Directors for approval. The extension per transaction shall be no more than two months and only one extension will be granted. If the borrower fails to comply with the requirement, the Company may penalize and charge the collateral or guarantor provided by the borrower.</p>	<p>when the repayment of a loan is due or repay the loan prior to expiry date. Upon repayment of the principal and interest, the promissory note may be returned to the borrower or the mortgage may be cancelled.</p> <p>The borrower shall repay the principal and interest prior to expiration of the loan.</p> <p>If the borrower fails to make the repayment and needs to apply for an extension, it shall submit an application to the Board of Directors for approval. The extension per transaction shall be no more than two months and only one extension will be granted. If the borrower fails to comply with the requirement, the Company may penalize and charge the collateral or guarantor provided by the borrower.</p>	
<p>Article 7: For said financing, the <u>lending company</u> shall prepare a subsidiary ledger to truthfully record the <u>borrowing counter-party's</u> name, amount, date of approval by the Board of Directors, lending/borrowing date, scheduled date of collection, and matters to be carefully evaluated until the end of the current month and under Article 4.2 herein.</p>	<p>Article 7: For said financing, the finance department shall prepare a subsidiary ledger to truthfully record the borrower's name, amount, date of approval by the Board of Directors, lending/borrowing date, scheduled date of collection, and matters to be carefully evaluated until the end of the current month and under Article 4.2 herein.</p>	Wording adjustment
<p>Article 8: The <u>lending company</u> shall prepare the "Statement of Loan of Funds to Others" according to said subsidiary ledger on a monthly basis.</p>	<p>Article 8: The finance department shall prepare the "Statement of Loan of Funds to Others" according to said subsidiary ledger on a monthly basis and report the same to the Board of Directors.</p>	Wording adjustment
<p>Article 11: If a manager or organizer of the Company and its subsidiaries violates the Procedure, an assessment must be carried out according to the Company's personnel administration rules and employee handbook. The severity of the punishment will be based on the circumstances.</p>	<p>Article 11: If a manager or organizer of the Company violates the Procedure, an assessment must be carried out according to the Company's personnel administration rules and employee handbook. The severity of the punishment will be based on the circumstances.</p>	This is conducted in accordance with Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
<p>Article 12: The Procedure shall be approved by the Audit Committee, submitted to the board of directors for a resolution and then submitted to the shareholders' meeting for an adoption before they are implemented. The same shall apply if the Procedure is amended.</p>	<p>Article 12: The Procedure shall be enforced after being submitted to each supervisor and reported to the shareholders' meeting for approval. The same shall apply if the Procedure is amended.</p>	In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors
<p>Article 13: The Procedure were created on 29 May 1995 The 1st amendment was made on 29 June 2002. The 2nd amendment was made on 26 June 2003. The 3rd amendment was made on 23 June 2006. The 4th amendment was made on 18 June 2008. The 5th amendment was made on 19 June 2009. The 6th amendment was made on 18 June 2010. The 7th amendment was made on 14 June 2013. The 8th amendment was made on 22 June 2017.</p>	<p>Article 13: The Procedure were created on 29 May 1995 The 1st amendment was made on 29 June 2002. The 2nd amendment was made on 26 June 2003. The 3rd amendment was made on 23 June 2006. The 4th amendment was made on 18 June 2008. The 5th amendment was made on 19 June 2009. The 6th amendment was made on 18 June 2010. The 7th amendment was made on 14 June 2013.</p>	The date of amendment was revised.

Comparative Table: Procedure of Endorsement and Guarantees for WAN HAI LINES LTD. And Its Subsidiaries

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 2: The Company and its subsidiaries' counterpart for endorsements and guarantees are limited to those circumstances listed below:</p> <ol style="list-style-type: none"> 1. Any company which has a business relationship with the Company or its subsidiaries. 2. Any company in which the Company or its subsidiaries holds more than 50% of the shares with direct or indirect voting rights. 3. Any company which holds more than 50% of the Company or its subsidiaries' shares with direct or indirect voting rights Subsidiaries in which the Company holds, directly and indirectly, 90% or more of the voting shares may provide mutual endorsements or guarantees. The total amount of endorsements or guarantees which may be provided must not exceed 10% of the net value of the Company. However, such limitation of the amount shall not be applicable to subsidiaries in which the Company holds, directly and indirectly, 100% of the voting shares. <p>Mutual guarantees in the same trade required by construction cooperating contractors' contract or endorsements/guarantees made by all capital-contributing shareholders of the joint venture subject to their shareholding for investees, or joint guarantee of performance bond for the pre-sale housing contract in the same trade as governed by the Consumer Protection Act, shall be free from the restrictions referred to in the preceding two paragraphs. The above-mentioned capital contribution refers to an investment made by the Company directly, or via any company in which the Company holds 100% of the shares with voting right.</p>	<p>Article 2: The Company's counterpart for endorsements and guarantees are limited to those circumstances listed below:</p> <ol style="list-style-type: none"> 1. Any company which has a business relationship with the Company; 2. Any company in which the Company holds more than 50% of the shares with direct or indirect voting rights 3. Any company which holds more than 50% of the Company's shares with direct or indirect voting rights Subsidiaries in which the Company holds, directly and indirectly, 90% or more of the voting shares may provide mutual endorsements or guarantees. The total amount of endorsements or guarantees which may be provided must not exceed 10% of the net value of the Company. However, such limitation of the amount shall not be applicable to subsidiaries in which the Company holds, directly and indirectly, 100% of the voting shares. <p>Mutual guarantees in the same trade required by construction cooperating contractors' contract or endorsements/guarantees made by all capital-contributing shareholders of the joint venture subject to their shareholding for investees, or joint guarantee of performance bond for the pre-sale housing contract in the same trade as governed by the Consumer Protection Act, shall be free from the restrictions referred to in the preceding two paragraphs. The above-mentioned capital contribution refers to an investment made by the Company directly, or via any company in which the Company holds 100% of the shares with voting right.</p>	<p>This is conducted in accordance with Subparagraph 3, Paragraph 1, Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>
<p>Article 3: The endorsements and guarantees referred to in this procedure include:</p> <ol style="list-style-type: none"> 1. Financial endorsements and guarantees, refers to tickets discounted financing, endorsements and guarantees for the purpose of other company's corporate financing, and receipts created for guarantees for the Company and its subsidiaries' financing apart from those in the financial business. 2. Customs endorsements and guarantees, refers to endorsements and guarantees made by the Company and its subsidiaries or other companies that are related to customs items. 3. Other endorsements and guarantees, refers to 	<p>Article 3: The endorsements and guarantees referred to in this procedure include:</p> <ol style="list-style-type: none"> 1. Financial endorsements and guarantees, refers to tickets discounted financing, endorsements and guarantees for the purpose of other company's corporate financing, and receipts created for guarantees for the Company's financing apart from those in the financial business. 2. Customs endorsements and guarantees, refers to endorsements and guarantees made by the Company or other companies that are related to customs items. 3. Other endorsements and guarantees, refers to 	<p>This is conducted in accordance with Subparagraph 3, Paragraph 1, Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>endorsements and guarantees which cannot be included in the two preceding items. Movable property or real estate used by the Company and its subsidiaries or other companies for the purpose of loan guarantee pledges, and mortgage rights should be handled according to the main points of these regulations.</p>	<p>endorsements and guarantees which cannot be included in the two preceding items. Movable property or real estate used by the Company or other companies for the purpose of loan guarantee pledges, and mortgage rights should be handled according to the main points of these regulations.</p>	
<p>Article 4: Amount limitations of Endorsements and Guarantees</p> <ol style="list-style-type: none"> 1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth. 2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company or its subsidiaries' net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees. 3. The Endorsements and guarantees of the Company and its subsidiaries made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. Business dealings refer to the total purchase or sale of goods between the two parties. 4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of the Company's net worth. 5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of the Company's net worth. 6. Endorsements and guarantees made by the Company, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, are not subject to the restrictions of rules contained in this Article's second, third, or fifth item. However, the aggregate amount of endorsements/guarantees that the Company or its subsidiaries make for a single company may not exceed 80% of the net worth of the company providing guarantees. 	<p>Article 4: Amount limitations of Endorsements and Guarantees</p> <ol style="list-style-type: none"> 1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth. 2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company's net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees. 3. The Endorsements and guarantees made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. Business dealings refer to the total purchase or sale of goods between the two parties. 4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of net worth. 5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of net worth. 6. Endorsements and guarantees made by the Company to its subsidiaries, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, are not subject to the restrictions of rules contained in this Article's second, third, or fifth item. 	<p>This is conducted in accordance with Subparagraph 3, Paragraph 1, Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>
<p>Article 5: Procedures and control of total amounts for endorsements and Guarantees</p> <ol style="list-style-type: none"> 4. The aforementioned official letters and promissory notes shall be provided for examination by the company providing 	<p>Article 5: Procedures and control of total amounts for endorsements and Guarantees</p> <ol style="list-style-type: none"> 4. The official statement described above, as well as the promissory note, should first undergo examination by the financial department. The 	<p>The Audit Committee is established to substitute the supervisors in response to the Order of Financial-Supervisory</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>guarantees. The key points of such examination are listed as below:</p> <ol style="list-style-type: none"> (1) Whether or not ample reason is provided for the request of endorsements and guarantees. Whether or not the endorsement and guarantee is necessary and reasonable. (2) Credit and risk assessment of the guaranteed company, and an assessment by the company's financial department regarding the necessity of the sum of the endorsement. (3) Whether or not the accumulated sum of the endorsement falls within the quota. (4) The effect upon the company's operational risk, financial condition, and shareholders' rights. The possibility of other factors that may pose harm to the Company's rights and interests. (5) Whether or not collateral is required, and the evaluation of the worth of the collateral. <p>5. The manager of the company providing guarantees should submit the audit opinion along with the official statement and promissory note to the Board of Directors or Chairman for consideration.</p> <p>6. Promissory note that have been approved according to this procedure must first complete the steps listed before being returned to the guaranteed company:</p> <ol style="list-style-type: none"> (1) Stamped with the Company's official seal (2) A copy of both sides of the promissory note for future reference (3) Entered into the "reference system," so as to control the endorsement Amount <p>7. For the promissory notes that are rejected for endorsement or guarantees that are rejected, the company providing guarantees shall prepare a written description about the reasons for no endorsements/guarantees and then return such along with the promissory notes to the guaranteed company.</p> <p>8. When an endorsed or guaranteed party originally satisfying requirements of Article 2 no longer satisfies these requirements, or the sum of the endorsement and guarantee, due to change in the calculated base quota, exceeds the established quota, a correction must be made to the sum of the endorsement and guarantee or the amount exceeding the quota, within the time period of the contract. or the company providing guarantees will set a correction plan and have it approved by the Chairman, complete all corrections within a specific time limit and report such to the board of directors and the Audit Committee.</p>	<p>main points of examination are listed as follows:</p> <ol style="list-style-type: none"> (1) Whether or not ample reason is provided for the request of endorsements and guarantees. Whether or not the endorsement and guarantee is necessary and reasonable. (2) Credit and risk assessment of the guaranteed company, and an assessment by the company's financial department regarding the necessity of the sum of the endorsement. (3) Whether or not the accumulated sum of the endorsement falls within the quota. (4) The effect upon the company's operational risk, financial condition, and shareholders' rights. The possibility of other factors that may pose harm to the Company's rights and interests. (5) Whether or not collateral is required, and the evaluation of the worth of the collateral. <p>5. The manager of the finance division should submit the audit opinion along with the official statement and promissory note to the Board of Directors or Chairman for consideration.</p> <p>6. Promissory note that have been approved according to this procedure must first complete the steps listed before being returned to the guaranteed company:</p> <ol style="list-style-type: none"> (1) Stamped with the Company's official seal (2) A copy of both sides of the promissory note for future reference (3) Entered into the "reference system," so as to control the endorsement Amount <p>7. When the promissory note or guarantee is not approved, the finance division must prepare a statement giving reasons for rejection, and send it to the guaranteed company along with the promissory note.</p> <p>8. When an endorsed or guaranteed party originally satisfying requirements of Article 2 no longer satisfies these requirements, or the sum of the endorsement and guarantee, due to change in the calculated base quota, exceeds the established quota, a correction must be made to the sum of the endorsement and guarantee or the amount exceeding the quota, within the time period of the contract. Or otherwise completely eliminating the error within a specified time set by the financial division, after passing inspection from the Chairman of the Board, as well as a report made to the Board of Directors and the Supervisors.</p>	<p>-Securities-Corporate No. 10200531121 dated December 31, 2013.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the monitoring and controlling should be prescribed as follows: The Company or its subsidiaries should, keep monitoring on the basis of the procedures of the Company's Internal Control System and the regulations of this Procedure. Additionally, a yearly evaluation of the necessity, rationality, risk, and influence upon operational risk, financial risk, and shareholders' rights to the Company and its subsidiaries, should be compiled along with guarantee information and evaluation. A written report should be given to the Chairman of the Board, as well as a report to the Board of Directors if the Chairman deems it necessary.</p>	<p>9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the monitoring and controlling should be prescribed as follows: The finance division should, keep monitoring on the basis of the procedures of the Company's Internal Control System and the regulations of this Procedure. Additionally, a yearly evaluation of the necessity, rationality, risk, and influence upon operational risk, financial risk, and shareholders' rights to the Company and its subsidiaries, should be compiled along with guarantee information and evaluation. A written report should be given to the Chairman of the Board, as well as a report to the Board of Directors if the Chairman deems it necessary.</p>	
<p>Article 6: Nullification of the promissory note</p> <ol style="list-style-type: none"> 1. If it is necessary to nullify the promissory note due to debt settlement or new extension, the guaranteed company must prepare a document, and submit the original promissory note to the finance division of the company providing guarantees, with a "nullified" stamp. The received document will be filed for future reference. 2. The finance division of the company must update the record in the "reference system," reducing the total of endorsement sum. 3. When the promissory note is newly extended, financial institutions often request to complete the whole procedure of new promissory note before returning the old one. Under these circumstances, the finance division of the company providing guarantees must prepare and follow up with minutes, and take the nullified promissory note back as quickly as possible. 	<p>Article 6: Nullification of the promissory note</p> <ol style="list-style-type: none"> 1. If it is necessary to nullify the promissory note due to debt settlement or new extension, the guaranteed company must prepare a document, and submit the original promissory note to the Company's finance division, with a "nullified" stamp. The received document will be filed for future reference. 2. The finance division must update the record in the "reference system," reducing the total of endorsement sum. 3. When the promissory note is newly extended, financial institutions often request to complete the whole procedure of new promissory note before returning the old one. Under these circumstances, the finance division must prepare and follow up with minutes, and take the nullified promissory note back as quickly as possible. 	<p>Wording adjustment</p>
<p>Article 8: Items pertaining to endorsements and guarantees made by the Company should be entered into the "reference system" by the finance division. It should include detailed information with regards to items accepted as collateral, name of company receiving endorsements and guarantees, results of risk evaluation, sum of endorsements and guarantees, date and conditions for the collection of collateral and lifting of guarantee responsibilities, date of approval by the Board of Directors or Chairman, date of endorsement and guarantee, as well as other assessments or cancellations relevant to the endorsement and guarantee. The Company's internal auditor should keep monitoring and auditing the procedure for endorsements and guarantees and the status of its</p>	<p>Article 8: Items pertaining to endorsements and guarantees made by the Company should be entered into the "reference system" by the finance division. It should include detailed information with regards to items accepted as collateral, name of company receiving endorsements and guarantees, results of risk evaluation, sum of endorsements and guarantees, date and conditions for the collection of collateral and lifting of guarantee responsibilities, date of approval by the Board of Directors or Chairman, date of endorsement and guarantee, as well as other assessments or cancellations relevant to the endorsement and guarantee. The Company's internal auditor should keep monitoring and auditing the procedure for endorsements and guarantees and the status of its</p>	<p>In accordance with the Securities Exchange Act, the Company shall hold elections from 2017 to establish an Audit Committee to replace Supervisors, and the revised text will be reviewed after amendments.</p>

Clause after amendment	Clause before amendment	Reason for amendment
execution every quarter. A written record of this audit should be created. If a significant transgression of regulations is discovered, a written notification must be given to each member of Audit Committee.	execution every quarter. A written record of this audit should be created. If a significant transgression of regulations is discovered, a written notification must be given to each Supervisor.	
Article 12: If subsidiary of the company wishes to make endorsement/guarantee for others, it shall conform to the operating procedure for making endorsement/guarantee defined in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," or follow the SOP if no such operating procedure is defined. If the subsidiary was established overseas, then the local registered company seal shall serve as the proper seal for endorsements and guarantees, provided that if it is not necessary to register the specimen seal pursuant to the local laws, the requirements about the seal defined herein shall not apply.	Article 12: If the Company's subsidiary wishes to make endorsement/guarantee for others, it shall conform to the operating procedure for making endorsement/guarantee defined in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," or follow the SOP if no such operating procedure is defined. If the subsidiary was established overseas, then the local registered company seal shall serve as the proper seal for endorsements and guarantees, provided that if it is not necessary to register the specimen seal pursuant to the local laws, the requirements about the seal defined herein shall not apply.	Wording adjustment
Article 14: The procedures, and any amendments thereto, shall be deliberated by the Audit Committee, submitted to the board of directors for a resolution, and then submitted to the shareholders' meeting for the adoption of the Regulation before they are implemented.	Article 14: The Procedures, as well as subsequent amendments, should be approved by the Board of Directors firstly and sent to all Supervisors for approval. The amended procedures will be implemented after approved by the shareholders meeting.	The Audit Committee is established to substitute the supervisors in response to the Order of Financial-Supervisory -Securities-Corporate No. 10200531121 dated December 31, 2013.
Article 15: The Procedures were created on 21 May 1991 The 1st amendment was made on 7 May 1997 The 2nd amendment was made on 27 Sep 2002 The 3rd amendment was made on 26 June 2003 The 4th amendment was made on 23 June 2005 The 5th amendment was made on 23 June 2006 The 6th amendment was made on 19 June 2009 The 7th amendment was made on 18 June 2010 The 8th amendment was made on 27 June 2012 The 9th amendment was made on 14 June 2013 The 10th amendment was made on 22 June 2017	Article 15: The Procedures were created on 21 May 1991 The 1st amendment was made on 7 May 1997 The 2nd amendment was made on 27 Sep 2002 The 3rd amendment was made on 26 June 2003 The 4th amendment was made on 23 June 2005 The 5th amendment was made on 23 June 2006 The 6th amendment was made on 19 June 2009 The 7th amendment was made on 18 June 2010 The 8th amendment was made on 27 June 2012 The 9th amendment was made on 14 June 2013	The date of amendment was revised.

**Release of the Non-Competition Restriction for members of the Company's
19th Board of Directors**

Name	Concurrent Positions
Chairman: Mr. Po-Ting Chen	WAN HAI LINES PERU S. A. Director
Juristic-person Director Taili Corporation. Representative: Mr. Randy Chen	WAN HAI LINES PERU S. A. Director
Juristic-person Director SHIH LIN PAPER CORP. Representative: Mr. Fur-Lung Hsieh	WAN HAI LINES (AMERICA) LTD. Director WAN HAI LINES (U.A.E.) L.L.C. Director

Release of the Non-Competition Restriction for members of the Company's New Board of Directors

Name	Concurrent Positions
At the time the juristic person director SHIH LIN PAPER CO., LTD. was nominated, it noted in advance that it would appoint Mr. Chen, Po-Ting to represent such company and exercise the duties of the director for the duration of the original term upon being elected. Mr. Chen, Po-Ting is concurrently serving as:	WAN HAI LINES (PHILS.), INC. CHAIRMAN
	WAN HAI LINES KOREA LTD. CHAIRMAN
	WAN HAI LINES (M) SDN. BHD. DIRECTOR
	YI CHUN SHIPPING AGENCIES SDN. BHD. DIRECTOR
	WAN HAI LINES (SINGAPORE) PTE LTD DIRECTOR
	WAN HAI LINES(AMERICA) LTD. DIRECTOR
	WAN HAI INTERNATIONAL PTE. LTD. DIRECTOR
	WAN HAI LINES (HK) LTD. DIRECTOR
	DAWIN LOGISTICS(INTERNATIONAL) LTD DIRECTOR
	WAN HAI LINES(INDIA) PRIVATE LTD DIRECTOR
	K.K. WH CORPORATION DIRECTOR
	WAN HAI LINES (U.A.E.) L.L.C. DIRECTOR
	WAN HAI LINES (THAILAND) LTD. DIRECTOR
WAN HAI LINES PERU S.A.C. DIRECTOR	
WAN HAI LINES ECUADOR S.A. DIRECTOR	
At the time the juristic person director TAILI CORPORATION was nominated, it noted in advance that it would appoint Mr. Randy Chen, to represent such company and exercise the duties of the director for the duration of the original term upon being elected. Mr. Randy Chen is concurrently serving as:	WAN HAI LINES (PHILS.), INC. DIRECTOR/PRESIDENT
	WAN HAI LINES (SINGAPORE) PTE LTD DIRECTOR
	WAN HAI LINES(AMERICA) LTD. DIRECTOR
	WAN HAI LINES PERU S.A.C. DIRECTOR
	WAN HAI LINES ECUADOR S.A. DIRECTOR
At the time the juristic person director CHEN-YUNG FOUNDATION was nominated, it noted in advance that it would appoint Mr. Chih-Chao Chen, to represent such company and exercise the duties of the director for the duration of the original term upon being elected. Mr. Chih-Chao Chen is concurrently serving as:	WAN HAI LINES(AMERICA) LTD.DIRECTOR
	WAN HAI LINES (HK) LTD. DIRECTOR
	DAWIN LOGISTICS(INTERNATIONAL) LTD DIRECTOR
	BAO SHENG SHIPPING AGENCY CO. LTD. CHAIRMAN
	WAN HANG TOURISM (SHANGHAI)CO., LTD. DIRECTOR

Comparative Table: Amendments to General Shareholders Meeting Rules

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 3: An Agenda shall be provided for the shareholders meeting, and notification sent to each shareholder 30 days prior to the shareholders meeting. Notification of the shareholders meeting for shareholders holding less than 1,000 shares is permitted to be done by public announcement 30 days prior to the shareholders meeting.</p> <p>Both notification and public announcement should be clearly recorded as pertaining to the convening of the shareholders meeting. Electronic notification may be allowed after the consent of the shareholder.</p> <p>Selection or resignation of directors, changes to Memorandum of Association, corporate liquidation, mergers, divestments, or any items contained in Article 185 Item 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed, and not brought up by extraordinary motion.</p> <p>Shareholders holding 1% or more of distributed shares must submit proposals in writing to the Company. Proposals by shareholders are limited to one item, any items exceeding this amount will not be made into a motion. Additionally, if any proposals made by shareholders are amongst any of the situations listed in Article 172-1 Item 4 of the Company Act, the Board of Directors is required to not list it as a motion.</p> <p>The Company should, prior to convening the shareholders meeting, halt the transfer of shares to the shareholder proposing the motion, and notify the shareholder of the location, and time period of acceptance. The period of acceptance should not be under 10 days.</p> <p>A motion proposed by a shareholder should not exceed 300 words. Proposals exceeding 300 words will not be entered into a motion. The proposing shareholder or a proxy should be attendance at the shareholders general meeting, and participate in discussion of the motion.</p> <p>The Company should notify the results of the proposed motion to the proposing shareholder before the announcement of the shareholders meeting, and the proposed motion should be included in the shareholders meeting notification.</p> <p>With regards to proposals not entered into motions, the Board of Directors should give explanation of the reason for the proposal not entering into a motion at the shareholders meeting.</p>	<p>Article 3: An Agenda shall be provided for the shareholders meeting, and notification sent to each shareholder 30 days prior to the shareholders meeting. Notification of the shareholders meeting for shareholders holding less than 1,000 shares is permitted to be done by public announcement 30 days prior to the shareholders meeting.</p> <p>Both notification and public announcement should be clearly recorded as pertaining to the convening of the shareholders meeting. Electronic notification may be allowed after the consent of the shareholder.</p> <p>Selection or resignation of directors, <u>supervisors</u>, changes to Memorandum of Association, corporate liquidation, mergers, divestments, or any items contained in Article 185 Item 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed, and not brought up by extraordinary motion.</p> <p>Shareholders holding 1% or more of distributed shares must submit proposals in writing to the Company. Proposals by shareholders are limited to one item, any items exceeding this amount will not be made into a motion. Additionally, if any proposals made by shareholders are amongst any of the situations listed in Article 172-1 Item 4 of the Company Act, the Board of Directors is required to not list it as a motion.</p> <p>The Company should, prior to convening the shareholders meeting, halt the transfer of shares to the shareholder proposing the motion, and notify the shareholder of the location, and time period of acceptance. The period of acceptance should not be under 10 days.</p> <p>A motion proposed by a shareholder should not exceed 300 words. Proposals exceeding 300 words will not be entered into a motion. The proposing shareholder or a proxy should be attendance at the shareholders general meeting, and participate in discussion of the motion.</p> <p>The Company should notify the results of the proposed motion to the proposing shareholder before the announcement of the shareholders meeting, and the proposed motion should be included in the shareholders meeting notification.</p> <p>With regards to proposals not entered into motions, the Board of Directors should give explanation of the reason for the proposal not entering into a motion at the shareholders meeting.</p>	<p>※</p> <ol style="list-style-type: none"> 1. Modified the relevant information in response to the updates of the annual shareholders' meeting handbook. 2. The Audit Committee is composed of the entirety of the independent directors. All members of the Audit Committee have the capacity of a director; therefore, in principal, there is no need be shown side-by-side with directors in accordance with the original rules for supervisors anymore.

<p>Article 6: The company will provide an attendance log to record the shareholders or proxies of shareholders (hereafter referred to as shareholders) attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The company will provide the Agenda, Annual Report, Attendance Record, Statement Cards, Voting Cards, and other meeting-related information to the attending shareholders. For elections of directors, ballots will be distributed as well.</p> <p>Shareholders should attend the shareholders meeting possessing an Attendance Certificate, Attendance Cards, or other proof of attendance; those acting as proxies should bring their identification cards for confirmation. Governments or corporations acting as shareholders are not limited to one attending person.</p> <p>Corporations acting as proxies attending the meeting must designate one representative for attendance.</p>	<p>Article 6: The company will provide an attendance log to record the shareholders or proxies of shareholders (hereafter referred to as shareholders) attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The company will provide the Agenda, Annual Report, Attendance Record, Statement Cards, Voting Cards, and other meeting-related information to the attending shareholders. For elections of directors and <u>supervisors</u>, ballots will be distributed as well.</p> <p>Shareholders should attend the shareholders meeting possessing an Attendance Certificate, Attendance Cards, or other proof of attendance; those acting as proxies should bring their identification cards for confirmation. Governments or corporations acting as shareholders are not limited to one attending person.</p> <p>Corporations acting as proxies attending the meeting must designate one representative for attendance.</p>	
<p>Article 14: The election of directors must be conducted in accordance to the Company's relevant election procedures. The results of the election shall be announced at the shareholders meeting. The previous item's election ballot must be signed and sealed by the ballot inspector and preserved for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the ballots must be retained until the end of litigation.</p>	<p>Article 14: The election of directors and <u>supervisors</u> must be conducted in accordance to the Company's relevant election procedures. The results of the election shall be announced at the shareholders meeting. The previous item's election ballot must be signed and sealed by the ballot inspector and preserved for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the ballots must be retained until the end of litigation.</p>	
<p>Article 20: These rules were created on 21 May 1991 The 1st amendment was made on 13 May 1998 The 2nd amendment was made on 29 June 2002 The 3rd amendment was made on 23 June 2006 The 4th amendment was made on 24 June 2011 The 5th amendment was made on 27 June 2012 The 6th amendment was made on 22 June 2017</p>	<p>Article 20: These rules were created on 21 May 1991 The 1st amendment was made on 13 May 1998 The 2nd amendment was made on 29 June 2002 The 3rd amendment was made on 23 June 2006 The 4th amendment was made on 24 June 2011 The 5th amendment was made on 27 June 2012</p>	<p>The date of amendment was revised.</p>

Appendix 1

WAN HAI LINES LTD. Memorandum of Association

Article 1:

The Company is incorporated according to the Company Act, and is named WAN HAI LINES LTD.

Article 2: The Company's scope of operation is as listed:

1. Marine Transportation
2. Shipping Agency
3. Purchasing and selling of vessels and containers
4. Container freight station business
5. Leasing of vessels and containers

Article 2-1:

The Corporation may make guarantees in the same trade with respect to the business referred to in the preceding paragraph.

Article 2-2:

The Company must receive approval from the board of directors to invest in other undertakings. Additionally, the sum total of other investments, in accordance with Article 13 of the Company Act, may not exceed 40% of paid-in capital.

Article 3:

The Company is headquartered in Taipei City, and is permitted to establish branch offices or shipping agencies.

Article 4:

The Company's public announcement in accordance with Article 28 of Company Act.

Article 5:

The Company's authorized capital is NTD 25 billion, separated into 2.5 billion shares which can be raised in multiple issues at NTD 10 per share.

Article 5-1:

The Company's Stock should be numbered, with the signature or authorized seal of three or more directors, subject to validation by the competent authority or any of its approved institutes. The Company is exempt from printing certificates for its

issued shares. Shares should be registered with the governing centralized securities depository organization.

Article 5-2:

Shareholders shall report their true names, residences, specimen seal and unified number to the Company to be filed for reference, as well as any changes made. All dividends or bonuses received from shares will use the seal as evidence. In the event of transfer of the company stock, establishment of pledge of rights, loss report, inheritance, donation and loss or modification of seal or address, or other share-related matters, apart from cases where there are other securities regulations, will all be handled according to "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 6: Shareholders Meeting

The shareholders meeting is composed of all of the shareholders, and are separated into general shareholders meetings and extraordinary shareholders meetings. General shareholders meetings are held once a year, within six months of the end of the fiscal year, and are held in accordance to law by the board of Directors. Extraordinary shareholders meeting may be held whenever necessary.

The general shareholder meeting is chaired by the chairman of the board of directors. If for some reason the chairman of the board is unable to attend, the vice chairman takes his or her place. If the Vice Chairman is unable to perform his or her duties due to leave of absence or other reason, his proxy shall be appointed in accordance with Article 208 of the Company Act.

At the time of the shareholders meeting, apart from when otherwise regulated by the Company Act, when over half of issued shares are represented, a motion may be passed with over half of the present shareholders' votes.

When a shareholder is unable to attend the shareholders meeting, a proxy may be appointed, specifying the scope of delegated authority. In the event that one proxy represents two or more shareholders, his or her representative voting right may not surpass 3% of the total of shares distributed, shares in excess of 3% may not be counted. Each share of the Company held by a shareholder counts as one vote.

Article 7: The Board of Directors

1. The Company's Board of Directors consists of 7 individuals, elected by shareholders. The term of office is three years, and directors may be reelected to serve another term.
2. The Company should be of not less than three people, and not less than one-fifth

of the directors should be in attendance. The professional qualifications, restrictions on shareholdings and concurrent post, identification of independence, nomination and election, and exercise of authority, and other requirements to be complied with by the independent directors shall be handled subject to the Securities and Exchange Act and the relevant laws and regulations.

3. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors.
4. Article 208 of the Company Act shall apply when the directors' meeting is suspended.
5. The Board of Directors meets once every quarter, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the Chairman has not indicated a representative, the directors may nominate a director to take his or her place. Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors.
6. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act.
7. A directors' meeting may be convened via fax or E-mail.
8. The total number of shares of the Company held by the entirety of the Board of Directors must comply with regulations as stated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Financial Supervisory Commission.
9. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.

Article 8: Audit Committee

The Company has established an Audit Committee as a substitution for the supervisors, which began since the 20th Board of Directors. This Committee is comprised of independent directors, and shall consist of no fewer than three persons, one of whom acts as the convener, and at least one of whom is required to have

accounting or financial expertise. The exercise of duties by, the organizational procedures for, and other matters that shall be reviewed by the Audit Committee shall be arranged in accordance with relevant laws and regulations or the Memorandum of Association.

Article 9: Manager

The Company has one president, legally appointed by the Board of Directors upon nomination of the Chairman of the Board.

Article 10:

The Company's final accounting period is at the end of December each year, the board of directors must prepare the items listed below. Figures are then given to shareholders general meeting for acknowledgement.

1. Business Report
2. Financial Statements
3. Earnings distribution or loss reimbursement proposal

Article 11:

If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors. However, if there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.

Article 11-1:

The industry in which the Company operates is changeable, and is capital-intensive. In times of stable growth, the Company considers future capital needs, and long-term financial plans, as well as satisfying shareholder needs pertaining to cash inflows, any surplus earnings after the Company's total annual accounts have been calculated, after tax, and compensation for accumulated losses, are then carried to the 10% legal reserve, and according to the law, set aside or added to the reversal of special reserve. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, this shall be made using the surplus within the special reserve, along with undistributed earnings within the same year to complete the amount needed, including 30% or more of the undistributed earnings at the beginning of the period will be considered in regards to the Company's capital

requirements by the Board of Directors, along with the capital budget and other factors. The interests of shareholders and the company's long-term financial planning will be taken into account, with the proportion of dividends and dividend distribution being assigned after the shareholders' meeting.

The cash or shares distribution ratio, is subject to the current years' profits, financial conditions, and capital expansion program dividend distribution scheme, where the proportion of cash dividends may not be below 10% of total dividends.

Article 12:

The Board of Directors is authorized to determine the Company's organizational rules.

Article 13:

Any matters that are not addressed in the Memorandum of Association shall be governed by the Company Act and other relevant laws and regulations.

Article 14:

This Memorandum of Association was created on 6 January 1965.

The 1st Amendment was made on 31 March 1966

The 2nd Amendment was made on 10 September 1966

The 3rd Amendment was made on 25 May 1967

The 4th Amendment was made on 30 September 1968

The 5th Amendment was made on 1 August 1977

The 6th Amendment was made on 12 December 1977

The 7th Amendment was made on 31 January 1978

The 8th Amendment was made on 19 March 1979

The 9th Amendment was made on 5 May 1981

The 10th Amendment was made on 7 December 1982

The 11th Amendment was made on 29 December 1983

The 12th Amendment was made on 14 December 1984

The 13th Amendment was made on 16 January 1986

The 14th Amendment was made on 16 August 1986

The 15th Amendment was made on 19 December 1987

The 16th Amendment was made on 17 May 1988

The 17th Amendment was made on 30 December 1988

The 18th Amendment was made on 23 May 1989

The 19th Amendment was made on 18 May 1990

The 20th Amendment was made on 21 May 1991

The 21st Amendment was made on 1 May 1992
The 22nd Amendment was made on 27 August 1992
The 23rd Amendment was made on 15 June 1993
The 24th Amendment was made on 10 August 1993
The 25th Amendment was made on 2 September 1994
The 26th Amendment was made on 6 May 1995
The 27th Amendment was made on 13 May 1996
The 28th Amendment was made on 13 May 1998
The 29th Amendment was made on 24 May 2000
The 30th Amendment was made on 29 June 2002
The 31st Amendment was made on 26 June 2003
The 32nd Amendment was made on 23 June 2006
The 33rd Amendment was made on 27 June 2007
The 34th Amendment was made on 18 June 2010
The 35th Amendment was made on 27 June 2012
The 36th Amendment was made on 14 June 2013
The 37th Amendment was made on 12 June 2015
The 38th Amendment was made on 29 June 2016
The 39th Amendment was made on 22 June 2017

Appendix 2

WAN HAI LINES LTD. Procedures for the Election of Directors and Supervisors

Article 1:

All elections of the Company's Directors should be carried out according to the regulations established in these procedures, which have been created in compliance with the Company Act and the Company's Memorandum of Association.

Article 2:

The election of the Company's Directors shall be carried out separately during the shareholders meeting.

Article 3:

The Company's election of Directors shall use a registered ballot system. Registration for the election uses the shareholder's account number. The cumulative voting system is used to fully reflect the opinions of the shareholders.

Article 4:

The Company's election of Directors counts one share as representing a number of voting rights equal to the number of Directors being elected.

The Company adopts the candidate nomination system to elect by the shareholders its directors, independent directors from the name list of candidates for directors in accordance with Article 192-1 of the Company Act. Independent and non-independent directors shall be elected concurrently, and the number of the elected shall be calculated separately.

Article 5:

The Directors and independent Directors elected by the shareholders shall comply with the quota established by the Company's Memorandum of Association. Pursuant to Article 14-2, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, a candidate who is elected as a director or independent director simultaneously may not assume the post of independent director.

If two candidates receive the same number of votes and exceed the quota for Directors, the two candidates must draw lots to decide. For non-attending candidates, the chairman shall represent him or her when drawing lots.

Article 6:

No additional ballots will be issued to common share shareholders that exercise voting rights by electronic means. Attendance card numbers printed on the ballots may be used in lieu of recording the names of voting shareholders. The Company shall prepare ballots in numbers corresponding to the directors to be elected with attendance card numbers printed on them. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the common share shareholders in attendance at the shareholders' meeting.

Article 7:

At the beginning of the election, the chairman must assign a ballot inspector and ballot counter to carry out inspections of ballots and counting of ballots.

Article 8:

A ballot box must be prepared by the Company, and be opened and shown by the ballot inspector before voting begins.

Article 9:

A voter must enter the candidate's name or title, and may add the shareholder account number or identity card number in the "Candidate" column of the ballot.

Article 10:

Ballots are deemed null and void in the case of any of the below-listed situations:

1. A voter does not hand in the sign-in card to complete the sign-in procedures.
2. A ballot is not the one prescribed in the Rules.
3. A blank ballot is placed in the ballot box.
4. The writing is unclear, has been altered without correction according to the law, or is indecipherable for other reasons.
5. The name of the candidate entered in the ballot is not a candidate for election.
6. Single ballots with a number of persons to be elected exceeding the prescribed quota.
7. Ballots with other writing on it apart from the name and shareholder account number, I.D. Number, or passport number of the person to be elected.
8. Ballots where the name of the person to be elected is the same as another person to be elected, and a shareholder account number, I.D. number, or passport number is not provided to differentiate.

Article 11:

After voting of the elections of the Directors, votes shall be counted on the spot. The election results shall be announced by the chairman on the spot.

Article 12:

An elected director and independent director shall issue a letter of consent to the appointment before the deadline established in the notice by the Company. Issuance of such a letter after the deadline will be regarded as unwilling to assume the position and an abandonment of the title of the electee.

Article 13:

These procedures and subsequent amendments were same applies implemented after adoption by the shareholders meeting.

Article 14:

These procedures were created on 21 May 1996

The 1st amendment was made on 29 June 2002

The 2nd amendment was made on 27 June 2012

The 3rd amendment was made on 14 June 2013

The 4th amendment was made on 22 June 2017

Regulations for Acquisition and Disposal of Assets by WAN HAI LINES LTD. And Its Subsidiaries

Article 1: The Company shall follow The Asset Acquisition and Disposal Processing Procedures. Any matters not subject these procedures, shall be handled in accordance with the relevant laws and regulations.

The Company is engaged in financial derivative transactions, in which the regulations that apply are provided by the Company's Procedures for the Acquisition or Disposals of Financial Derivatives.

Article 2: The scope of the assets mentioned in these regulations is listed as follows:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, rights to land use, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
7. Other major assets.

Article 3: The process for handling the procurement or disposal of assets as listed in Article 2 is as follows:

1. The acquisition or disposal of property and equipment used for business operations, memberships, or intangible assets and other important assets should be handled according to the Company's "Rules for Property Procurement and Sale of Scrapped Equipment".
2. The sale and purchase of securities shall be subject to Company approval in accordance with the Securities Accounting Transaction Processing Procedures by the Chief Financial Officer in accordance with the capital situation and market conditions, as presented to the General Manager, or Upper Management, or an authorized agent.
3. Fixed Quota:
 - (1) The sum of non-business operation related procurement of immovable property by the Company or its subsidiaries shall not exceed 120% of the Company's shareholder equity.
 - (2) The sum of investments by the Company or its subsidiaries containing negotiable securities shall not exceed 100% of the Company's shareholder equity.
 - (3) The sum of investments by the Company or its subsidiaries in individual securities shall not exceed 50% of the Company's shareholder equity; however those cases gaining approval by the Board of Directors are not restricted.
4. Interested parties and subsidiaries shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by the laws to engage in the value appraisal of real property or equipment.
6. For a proposal that shall be adopted by the board of directors pursuant to the Regulations or other laws, if there are directors whose disagreement appears on record or is expressed in writing, the Company shall forward the data of disagreement by the directors to the Audit Committee. A transaction of major assets shall be approved with the consent of one-half or more of the entire membership of the Audit Committee and proposed to the board of directors meeting for a resolution. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.

Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:

1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission within two days of the occurrence of the event, according to the prescribed format:
 - (1) Intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of domestic money market funds issued by securities investment enterprises.
 - (2) Conducting mergers, spin-offs, purchases, or assignation of shares
 - (3) The types of assets acquired or disposed are those used for business purposes, and the object of the transaction object is not related to personal property. The transaction amount is more than NT\$ 1 billion. Or for a subsidiary company, with a capital of less than NT\$ 10 billion and the transaction amount being more than NT\$ 500 million.
 - (4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the sum of the company expects to invest in the transaction is more than NT\$500 million.
 - (5) In addition to the four asset transactions listed above, disposition of claims by financial institutions, or engagement in investment in Mainland China, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances do not fall under these restrictions:
 - A. Trading of government bonds.
 - B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of common corporate bonds and non-equity-linked common financial bonds offered in the primary market domestically, or subscription by securities firms having the need because of acting as underwriters or recommending securities firms for emerging companies in accordance with the TPEX

regulations.

C. Trading of bonds under repurchase/reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment enterprises.

2. The transaction amount above shall be calculated as follows:
 - (1) The amount of any individual transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
 - (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
3. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
4. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and declared in their entirety within two days from the day of becoming aware of the occurrence.
5. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.
6. For the domestic or foreign subsidiaries of the Company which are considered non-public companies, announcements and reports required for their acquisition or disposal of assets should be handled according to the guidelines stipulated by these regulations.

Article 5: For all assets conforming to the standards outlined in Article 2 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.

1. For the acquisition or disposal of real estate or equipment, apart from transactions with governmental organizations, construction on owned land, engaging others to build on rented land, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of equipment for business operation, the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, an appraisal report by a professional appraisal institution must be obtained before the day of transaction. Additionally, it must conform to the following regulations:
 - (1) The range of the appraised value should use the regular price as reference. In the case of fixed prices, specific prices, or special prices, it must be indicated

whether or not it conforms with the rules in Article 10 and 11 of the Land Appraisal Technical Specifications. If for a particular reason fixed prices, specific prices, or special prices must be used as the basis for consideration that transaction should be first presented to the Board of Directors for approval. Conditions which change in future transactions must be submitted to the above procedure with the necessary modifications.

- (2) If the transaction amount is over NT\$1,000,000,000, two or more professional appraisal reports must be obtained. °
 - (3) Where any one of the following circumstances applies with respect to the appraisal results of professional appraisal reports, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter abbreviated as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.
 - B. The discrepancy between the appraisal results by at least 2 professional appraisers reaches 10% or more of the transaction amount.
 - (4) The date of the completion of a professional appraisal report and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.
2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. However, the provisions shall not apply if there are publicly quoted prices of such securities in an active market or any of the conditions as below is met:
- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering pursuant to the Company Act, and the rights represented by the securities acquired are equivalent to the percentage of cash contribution.
 - (2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.
 - (3) Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.
 - (4) Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.
 - (5) Public Bonds, repurchased bonds, or resale bonds
 - (6) Onshore or offshore publicly offered funds.
 - (7) Company stocks acquired or disposed of according to TWSE or GTSM Rules

Governing Purchase of Stocks Securities by Reverse Auction or Consignment.

- (8) Securities acquired through the Company's sponsorship of a cash capital increase by a public company or subscription of domestic corporate bonds (including financial bonds), when the securities acquired are not privately placed.
 - (9) Subscription to domestically privately placed fund shares before the establishment of a fund in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription or redemption of domestically privately placed funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.
 - (10) Other laws and regulations or rules of the competent authority.
3. Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets reaches 20% of the Company's paid-in capital or NT\$300 million, prior to the date of the event, the opinion of a rational transaction price shall be sought from a Certified Public Accountant; this Certified Public Accountant shall handle the matter in accordance with the provision of Auditing Standard No. 20 published by the Accounting Research and Development Foundation.
 4. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.
 5. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except for trading government bonds or bonds with repurchase or reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved with the consent of one-half or more of the entire membership of the Audit Committee, and submitted to and resolved by the board of directors. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.
 - (1) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (2) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (3) The reason for choosing the related party as a trading counterparty.
 - (4) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms.
 - (5) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
 - (6) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and

reasonableness of the funds utilization.

- (7) Restrictive covenants and other important stipulations associated with the transaction.

When the aforementioned the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, the Company must acquire an appraisal report from a professional appraiser. If the appraised value is different from the transaction amount by more than 20%, unless the appraised value of an acquired asset is lower than the transaction amount, or the appraised value of a disposed asset is higher than the transaction amount, a CPA should provide a substantive opinion concerning the reason for difference in price and the transaction must gain the approval of more than half of board members voting in a meeting in which not less than two-thirds of board members are present.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amounts.

With respect to the acquisition or disposal of business-use equipment between the company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

6. When the sum of a real estate transaction carried out between the Company and parties concerned is higher than the estimate for the acquisition of real estate, and objective evidence, a professional appraisal, or a substantive and reasonable opinion from a CPA explaining the discrepancy cannot be obtained, the Board of Directors shall thoroughly assess whether the transaction violates the rights of the Company or shareholders. When necessary, the board shall reject the transaction. If the board approves such a transaction, the Company must conduct the following items:

- (1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.
- (2) The members of independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
- (3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.

When the company creates a special reserve, the high-price asset acquired is filed under a loss from decline in market value or disposal or considered appropriate, compensation or restitution, or other evidence that determines no irrationality, the special reserve may employed after approval from the Financial Supervisory Commission.

7. transactions with interested parties approved by the Board of Directors still must be granted approval at a shareholders meeting in a vote not attended by the aforementioned interested parties or their related parties.

- (1) The transaction amount is higher than the estimate by 20% or more.
- (2) The transaction amount or conditions have a major impact on company operations.
- (3) The transaction has a major impact on shareholder rights.

- (4) Other transactions that the Board of Directors recommends for shareholder resolution.
8. When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage CPAs, attorneys, or securities underwriters to provide professional opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for a deliberation and passage. Provided, where the Company merges the subsidiaries whose issued shares or total capital are wholly owned by itself directly or indirectly, or the subsidiaries whose issued shares or total capital are wholly owned by the Company directly or indirectly are merged together, the Company may be exempted from obtaining the opinion on the reasonableness from the aforementioned experts. When the Company participates in a merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record, and saved for 5 years auditing purposes. Basic staff information and dates of important matters must be submitted to the Financial Supervisory Commission via the Internet information reporting system for reference within two days of approval by the Board of Directors.

Article 6: Contents of public announcement

1. For the purchase or sale of negotiable securities on domestic or foreign stock exchanges or the GTSM belonging to the parent company, its subsidiaries, or related corporations, the following items should be publicly announced:
 - (1) Security name.
 - (2) Date of transaction.
 - (3) Transaction amount, price of each unit, and total sum of transaction.
 - (4) Profit (or loss) from disposal. (Acquisition of negotiable securities not included)
 - (5) Relation to transaction target company.
 - (6) Accumulated number, sum, shareholding ratio, and restriction of rights of the security traded (included number of transactions), up to the current date.
 - (7) The proportion of invested negotiable securities (including the current transaction) to the company's total assets as listed in the most current financial report, and the proportion of shareholders equity to operating funds as listed in the most current financial report, up to the current date.
 - (8) Specific aim of acquisition or disposal.
2. The public announcement of the purchase and sale of assets, apart from the above listed items, should contain the following items:
 - (1) Name and nature of the subject matter. (For those falling under the acquisition or disposal of real estate, the location and lots must also be indicated. For those falling under preferred stock, the conditions for issuance of the preferred stock, such as stock dividend rates, etc., must also be indicated).
 - (2) Date of occurrence.
 - (3) Number of trading units, unit price, and total sum of transaction.
 - (4) Transaction partner and relation to the Company. (If the transaction partner is a natural person and is not substantially related to a company, his or her name

- does not have to be disclosed).
- (5) When the transaction partner is a substantial related party, a public announcement giving the reason for selecting the parties concerned for the transaction, as well all of the people involved in the previous transfer, (Including the mutual relationship between the company and its partner), the price of the transfer, and date of acquisition.
 - (6) All authorized persons within the last five years acting as substantial related parties for the transaction target, must make a public announcement of the date of acquisition and disposal, price, and relate to company at time of transaction.
 - (7) Estimated profit (or loss) from disposal. (Acquisition of assets not included)
 - (8) Delivery or payment conditions (including date and sum of payment), restrictive clauses in contract, and other important agreed upon matters.
 - (9) Method for decision of transaction (for example bidding, parity, or negotiation), basis for reference of the decided price, and decision unit.
 - (10) Name of professional appraisal institution and the results of its appraisal, or a value per share from the most recent financial report created according to regulations that has undergone a notarized examination by CPA or inspection. If unable to obtain a timely appraisal report, the reason for inability to obtain would should be indicated. If there circumstances that are noted in these regulations number 5 (1)(2), a public announcement must be made detailing reason for difference and a notarized CPA opinion.
 - (11) Accumulated number, sum, shareholding ratio, and restriction of rights of the security traded (included number of transactions), up to the current date. (Those not falling under the purchase and sale of negotiable securities are excluded)
 - (12) The proportion of invested negotiable securities (including the current transaction) to the company's total assets as listed in the most current financial report, and the proportion of shareholders equity to operating funds as listed in the most current financial report, up to the current date. (Those not falling under the purchase and sale of negotiable securities are excluded)
 - (13) If there is a broker, and the broker acts as a substantial party concerned, the managing broker and the brokerage fee to be paid.
 - (14) The specific aim or use of the acquisition or disposal.
3. "The most current financial report", refers to a public financial report prepared according law and notarized and examined by CPA or inspection by the company prior to acquisition or disposal of assets.

Article 7: For the calculation of 10% of total assets under these regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

A subsidiary company shall apply the process of the forth article announcement reporting standards, where the provisions state that "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", and the company shall use paid-in capital or total assets to serve as the standard. The regulation of the amount of the paid-up capital of NT\$ 10 billion, shall be based on the paid-in capital of the subsidiary company.

A subsidiary company shall apply the process of the fifth article relating to expert advice

and a stakeholder should perform the procedures for transactions. Based on the provisions relating to "the company's paid-up capital will be twenty percent" or "ten percent of the total assets", the subsidiary company shall use paid-in capital or total assets to serve as the standard.

In the case where the subsidiary company has non-par-value stock or the price per stock is not equivalent to NT\$ 10, the amount of the paid-in capital shall be provided as 20% of the transaction regulation amount or NT\$ 10 billion, where the affiliated parent company owners amount is 10% or NT\$ 20 billion.

Article 8: If a manager or organizer of the company violates the Procedures, an assessment must be carried out according to the personnel administration rules and the employee handbook. The severity of the punishment will be based on the circumstances.

Article 9: The Regulations, and any amendments thereto, shall be approved with the consent of one-half or more of the entire membership of the Audit Committee and resolved and adopted by the board of directors, and then approved by the shareholders' meeting before becoming effective.

Any matter in the preceding paragraph that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.

The subsidiaries shall also set the "Regulations Governing the Acquisition and Disposal of Assets." Such Regulations, and any amendments thereto, shall be adopted by the boards of directors and then submitted to the Company's board of directors for reference.

Prior to engaging in acquisition or disposal, a subsidiary company should act in accordance with The Asset Acquisition and Disposal Processing Procedures.

Article 10: These regulations were created on 18 May 1990

The 1st amendment was made on 1 May 1992

The 2nd amendment was made on 29 May 1995

The 3rd amendment was made on 24 May 2000

The 4th amendment was made on 26 June 2003

The 5th amendment was made on 27 June 2007

The 6th amendment was made on 27 June 2012

The 7th amendment was made on 18 June 2014

The 8th amendment was made on 12 June 2015

The 9th amendment was made on 22 June 2017

Regulations Governing the Acquisition and Disposal of Derivatives by Wan Hai Lines Ltd. and its Subsidiaries

Chapter One: General Rules

Article 1:

The Regulations are established in order to protect investments, implement information disclosure and strengthen the Company's establishment of the risk management system for derivatives trading. The matters that are not prescribed in the Regulations, if any, shall be conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the "Regulations Governing the Acquisition and Disposal of Assets by Wan Hai Lines Ltd. and Its Subsidiaries" and the applicable laws and regulations.

Article 2:

Derivatives as used in the Regulations refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.

Article 3:

"Forward contracts" as used in the Regulations do not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

Article 4:

The Company only engages in derivatives trading for the purpose of "Hedging." This includes economic hedging and accounting hedging.

Article 5:

The division of authorities for the Company to engage in issuance or transaction of all types of derivatives, performance evaluations, total amount of derivatives contracts that may be traded, and the maximum loss limit for individual contracts shall be set forth in the Regulations. The maximum limit on the total amount of derivatives contracts that are traded by the Company shall be based on the existing and expected forthcoming transactions for the hedged subject and the net positions of assets and liabilities.

Article 6:

When the Company engages in all types of derivatives trading, the Audit Room shall immediately call for the relevant departments or personnel to inspect and maintain the rules. Such departments and personnel may conduct audits of the relevant departments engaging in trading and request the presentation of relevant documents.

Chapter Two: Operating Procedures

Article 7:

The Board of Directors' powers and functions for the Company's engagement in derivatives trading are as follows:

1. The list of trading subjects and product types that are ratified include:
 - (1) Forward Contracts
 - (2) Options Contracts
 - (3) Futures Contracts
 - (4) Swap Contracts
 - (5) Leveraged Contracts
 - (6) Compound Contracts Combining the Above Products
2. The list of trading counter-parties that are ratified: Proposals submitted by the Finance Department to the board of directors for approval.
3. The maximum trading limit and loss limit for an individual product traded and all transactions that are ratified include:
 - (1) Trading Department: The Finance Department will conduct transactions.
 - (2) Traders: To be assumed by the division heads (included) or more senior supervisors of the Finance Department.
 - (3) Products to be traded: To be implemented in accordance with the aforementioned Subparagraph 1 of Article 7.
 - (4) Authorization of trading amounts: The Finance Department shall, before conducting derivatives trading, submit the limits on the products to be traded to the Audit Committee to obtain the consent from one-half or more of the entire membership of the Audit Committee and then report such to the board of directors for implementation. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the Board of Directors' meeting minutes.
 - (5) The maximum loss limit on derivatives trading is as follows:
 - A. Contract with individual hedging subject: 25% of the contract amount and the total loss in a given year surpassing 4% of the Company's paid-in capital in the year of trading.
 - B. All contracts: 8% of total contract amount and the total loss in a given year surpassing 8% of the Company's paid-in capital in the year of trading.When a contract with individual hedging subjects or all contracts reach the maximum loss limit upon assessment at the end of the month for two consecutive months, a proposal shall be submitted to the President to decide whether to stop the loss or not, and the disposal condition shall be reported during the next board meeting.

Article 8:

The Finance Department's powers and functions for the Company's engagement in derivatives trading are as follows:

1. To submit written report of the purpose, period, amount, trading terms and counter-parties for the required derivatives trading.
2. To conduct risk assessments and performance evaluations.
3. To draw up trading strategies within the scope of authorization and directly conduct trading with trading counter-parties.
4. To provide all trading receipts and certificates timely. The trader must record the detailed transactions in the weekly reports and retain the relevant statements in each trading record for reference at all times.

Article 9:

When the Company issues derivatives in the centralized trading market, the supervisor of the Finance Department shall submit the type of product, amount to be issued, hedging strategies and trading methods, and maximum loss limit in accordance with the internal authorization procedures before conducting such act.

Article 10:

When the Company conducts derivatives trading in the centralized trading market, the supervisor of the Finance Department shall, based on the type of product, establish the total trading limit within the scope of the maximum limit on total amount of derivatives contracts provided in the second half of Article 5 and then obtain the authorization pursuant to the procedures established in Article 7, Subparagraph 3.

Chapter Three: Procedures for Announcement and Reporting

Article 11:

The Company shall publicly announce and report their engagement in derivatives trading by itself and its subsidiaries that are non-public companies domestically on the designated website in a format as prescribed by the competent authority before the 10th day of each month. When the Company and its subsidiaries that are non-public companies domestically reach the maximum loss limit on all or individual contract established in the Regulations while engaging in derivatives trading, they shall publicly announce and report the relevant information on the website designated by the competent authority within two days from the occurrence in a prescribed format based on its nature.

Article 12:

When the Company at the time of public announcement makes an error or omission in an item required by the Regulations to be publicly announced, the company is required to correct it, and such item shall be again publicly announced and reported in its entirety.

Article 13:

The Company's audit supervisor or personnel shall report the audit report of derivatives trading along with the execution conditions of the annual audit plan for the same year to the competent authority before the end of February every year.

Article 14:

The Company shall report the deficiencies discovered in the procedures of derivatives trading and correction conditions for irregularities to the competent authority for reference before the end of May every year.

Chapter Four: Accounting Processing Principles

Article 15:

The Company shall disclose the information pertaining to the accounting processing methods for derivatives trading and financial statements in accordance with the applicable rules promulgated by the competent authority and the ROC Accounting Research and Development Foundation.

Chapter Five: Internal Control System

Article 16:

Personnel engaged in derivatives trading may not serve concurrently in other operations such as in confirmation and settlements. The President may appoint personnel from different departments to be responsible for measuring, monitoring and controlling the relevant risks. The types of risk that shall be controlled are as follows:

1. Market risk: Refers to the assessed losses that are likely to arise from market price fluctuations of the contracts.
2. Credit risk: Refers to the assessed losses arising from a trading counter-party failing to perform the covenants of the contracts.
3. Liquidity risk: Refers to the assessed losses that are likely to arise from the performance of the covenants of the contract as a result of the coverage of positions and being limited to unfavorable situations in the market.
4. Operational risk: Refers to the assessed losses that are likely caused by reasons such as erroneous systems, man-made negligence or management failures.
5. Legal risk: Refers to the financial losses that are caused by unknown contracts, noncompliance with the laws and regulations or contracts that are judged as invalid.

Article 17:

The Company shall establish a log book while engaging in derivatives trading and conduct timely performance evaluations in accordance with the following methods.

1. To conduct performance evaluations based on the type of trading strategies, traders, and products and

all Company trading conditions.

2. The Company shall use valuations according to the market price transactions conducted in the centralized trading market, or for derivatives that are not traded in the centralized trading market, use reliable market prices that may be obtained frequently on a weekly basis.
3. If the preceding paragraph is not applicable to the derivatives trading, valuation shall be done at least once a month based on the valuation report of the trading counter-party or the theoretical price.

Article 18:

The Accounting Department shall create statistics which demonstrate the Company's derivatives trading details, nominal amount of trading positions, realized and unrealized profit/loss on a regular basis in accordance with the transaction receipts and various statements presented by the trading departments, and compile summary tables to be submitted for review.

Chapter Six: Internal Audit System

Article 19:

The Company conducts internal audits on derivatives in order to assist unit supervisors to comprehend the timeliness of their subordinate employees while dealing with businesses and to verify whether the operations comply with the laws and regulations of the Company's internal rules, allowing such supervisors to provide suggestions for improvement and further enhance management performance timely.

Article 20: The auditors' powers and functions are as follows:

1. Regular operational inspections
2. Review of irregular changes and special conditions
3. Assessment of internal management and control
4. Understanding and acquisition of proper accounting records
5. Comprehension of the efficacy of functions such as execution and command by all units
6. Submission of relevant reports and suggestions

Article 21: The scope of audits includes:

1. Account opening and management of derivatives
2. Trading cycles
3. Margin management
4. Management of clearing and settlement operations
5. Computer operations and information management
6. Labor and wage cycles
7. Accounting operations
8. Inspections on finance and cashiering

Article 22:

Execution of audit operations and preparation of inspection reports:

1. When internal auditors conduct inspection tasks, they may retrieve different types of data files, and the inspected units shall fully cooperate with the auditors without rejection or concealment to ensure the accuracy and timeliness of the data.
2. After the internal auditors complete each inspection, they shall prepare an inspection report to present the deficiencies which have been discovered and propose suggestions for improvement, and continue to follow up with the correction conditions. Such information will serve as a reference for senior supervisors to adopt countermeasures timely.

Chapter Seven: Supplementary Provisions

Article 23:

When a Company's personnel member violates the Regulations, a report on assessment shall be arranged in accordance with the Company's Human Resource Management Measures and the employee manual. The punishment will be imposed based on the severity and the evidence of the case.

Article 24:

After consent has been obtained for the Regulations from one-half or more of the entire membership of the Audit Committee, the Regulations shall be submitted to the Board of Directors for resolution and then submitted to the shareholders' meeting for adoption before they are implemented. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire Board of Directors, and the resolution of the Audit Committee shall be recorded in the Board of Directors meeting minutes. The same shall apply to the amendments thereto.

Article 25:

These regulations were created on 12 Mar 1998

The 1st amendment was made on 26 Jun 2003

The 2nd amendment was made on 23 Jun 2005

The 3rd amendment was made on 23 Jun 2006

The 4th amendment was made on 18 Jun 2008

The 5th amendment was made on 24 Jun 2011

The 6th amendment was made on 22 Jun 2017

Procedure of Loaning of Funds for WAN HAI LINES LTD. and its Subsidiaries

Article 1: In order to meet business needs, the Company and its subsidiaries may loan funds to others in accordance with this Procedure insofar as the loan shall not contravene Paragraph 1, Article 15, of the Company Act. Any matters not provided herein shall be handled in accordance with the relevant laws and regulations.

Article 2: The Company and its subsidiaries' counterparts of loan are limited to those circumstances listed below:

1. Any company which has a business relationship with the Company or its subsidiaries.
2. Any company which requires short-term financing with the Company or its subsidiaries.

The term "short-term" in the preceding paragraph refers to a period of one year, or where the company's operating cycle exceeds one year, one operating cycle.

The foreign companies in which the Company holds 100% of the shares with direct or indirect voting rights may loan funds to each other.

Article 3: The Company and its subsidiaries shall specify the duration of loans and calculation of interest while loaning funds to others. The aggregate amount of loaned funds of a lending company (namely the company to lend funds) shall not exceed 40 percent of the lending company's net worth, and may not exceed the limits as below:

1. For companies or firms which have business transactions with the Company, the loaned funds shall not exceed the total transaction amount between both parties for the latest one year;
2. For any company or firm which requires short-term financing with the Company, the individual loaned funds shall not be the lower of 20% of the Company's net worth or 40% of the net worth of the company or firm.
3. An individual loaned amount between the foreign companies whose voting shares are wholly owned the Company directly or indirectly shall not exceed 35 percent of the lending company's net worth. The board of directors shall refer to the purpose of financing and the market situation to set the duration of loans and calculation of interest.

Article 4: The Procedure for loaning of funds for the Company and its subsidiaries to others is specified as following:

1. The company requesting for a loan must make an application to the

- lending company.
2. Before loaning funds to others, a careful evaluation of whether or not it conforms to the regulations of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, as well as these operating procedures. After undergoing analysis using these regulations, such examination and evaluation results shall be submitted to the Chairman for approval, forwarded to the Audit Committee in order to obtain the consent, and then proposed to the board of directors for a resolution without delegating any others to make decision. The evaluation report shall include:
 - (1) Whether the loan of funds to others is necessary and reasonable.
 - (2) Credit investigation and risk assessment of the borrower.
 - (3) The effect upon the Company's operating risk, financial condition and shareholders' equity.
 - (4) Whether or not collateral is required, and the evaluation of the worth of the collateral.
 3. The financing between the Company and any of the Company's subsidiaries, or between the Company's subsidiaries shall be subject to the provisions in the preceding subparagraph and be submitted to the Chairman for approval, forwarded to the Audit Committee in order to obtain the consent, and then proposed to the board of directors for a resolution.
 4. If there are independent directors, ample consideration of the opinions of all independent directors is necessary. The explicit agreement or opposition of the independent directors, as well as their reasons for opposition, must be recorded in the minutes of the Board of Directors.

Article 5: A borrowing counter-party must fill out the "Application Form of Loan Request" to make an application to the lending company before the lending company appropriates funds. It shall also hand over a promissory note with blank due day to be safeguarded by the lending company.

Article 6: Upon allocation of the funds, it is necessary to take note of the borrowing counter-party's finance, business and credit rating, and the change in the value of the collateral, if any, from time to time. Any material change shall be reported to the Chairman of the Board immediately, and sufficient action shall be taken as per the Chairman's instructions.

The borrowing counter-party shall calculate the payable interest when the repayment of a loan is due or repay the loan prior to expiry date. Upon repayment of the principal and interest, the promissory note may be returned to the borrowing counter-party or the mortgage may be cancelled.

The borrower shall repay the principal and interest prior to expiration of the loan.

If the borrowing counter-party fails to make the repayment and needs to

apply for an extension, it shall submit an application to the Board of Directors for approval. The extension per transaction shall be no more than two months and only one extension will be granted. If the borrower fails to comply with the requirement, the Company may penalize and charge the collateral or guarantor provided by the borrower.

Article 7: For said financing, the lending company shall prepare a subsidiary ledger to truthfully record the borrowing counter-party's name, amount, date of approval by the Board of Directors, lending/borrowing date, scheduled date of collection, and matters to be carefully evaluated until the end of the current month and under Article 4.2 herein.

Article 8: The lending company shall prepare the "Statement of Loan of Funds to Others" according to said subsidiary ledger on a monthly basis.

Article 9: The Company shall input the loaned funds and balance thereof of the Company and its subsidiaries for the previous month to the M.O.P.S designated by the competent authority before the 10th day of each month. If the loaned funds and balance thereof of the Company meet any of the following circumstances, it shall input the same into the M.O.P.S. and report the same on the M.O.P.S. within two days commencing immediately from the date of occurrence:

1. The aggregate balance of funds loaned to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statement.
2. The balance of funds loaned by the Company and its subsidiaries for a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.
3. The amount of new loans of funds by the Company or its subsidiaries reaches TWD \$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.

The Company 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 subparagraph 3 of the preceding paragraph.

Article 10: If the Company's subsidiaries wish to loan funds to others to meet business needs, they shall conform to the operating procedure for loaning funds defined in accordance with the "Regulations Governing Loaning of

Funds and Making of Endorsements/Guarantees by Public Companies,” or follow the Procedure if no such operating procedure is defined.

Article 11: If a manager or organizer of the Company and its subsidiaries violates the Procedure, an assessment must be carried out according to the Company’s personnel administration rules and employee handbook. The severity of the punishment will be based on the circumstances.

Article 12: The Procedure shall be approved by the Audit Committee, submitted to the board of directors for a resolution and then submitted to the shareholders' meeting for an adoption before they are implemented. The same shall apply if the Procedure is amended.

Article 13: The Procedure were created on 29 May 1995

The 1st amendment was made on 29 June 2002.

The 2nd amendment was made on 26 June 2003.

The 3rd amendment was made on 23 June 2006.

The 4th amendment was made on 18 June 2008.

The 5th amendment was made on 19 June 2009.

The 6th amendment was made on 18 June 2010.

The 7th amendment was made on 14 June 2013.

The 8th amendment was made on 22 June 2017.

Procedure of Endorsement and Guarantees for WAN HAI LINES LTD. And Its Subsidiaries

Article 1:

For all matters pertaining to endorsements and guarantees, the Company and its subsidiaries complies with this set of procedures for implementation, unless otherwise provided for in laws.

Article 2:

The Company and its subsidiaries' counterpart for endorsements and guarantees are limited to those circumstances listed below:

1. Any company which has a business relationship with the Company or its subsidiaries.
2. Any company in which the Company or its subsidiaries holds more than 50% of the shares with direct or indirect voting rights.
3. Any company which holds more than 50% of the Company or its subsidiaries' shares with direct or indirect voting rights Subsidiaries in which the Company holds, directly and indirectly, 90% or more of the voting shares may provide mutual endorsements or guarantees. The total amount of endorsements or guarantees which may be provided must not exceed 10% of the net value of the Company. However, such limitation of the amount shall not be applicable to subsidiaries in which the Company holds, directly and indirectly, 100% of the voting shares.

Mutual guarantees in the same trade required by construction cooperating contractors' contract or endorsements/guarantees made by all capital-contributing shareholders of the joint venture subject to their shareholding for investees, or joint guarantee of performance bond for the pre-sale housing contract in the same trade as governed by the Consumer Protection Act, shall be free from the restrictions referred to in the preceding two paragraphs. The above-mentioned capital contribution refers to an investment made by the Company directly, or via any company in which the Company holds 100% of the shares with voting right.

Article 3:

The endorsements and guarantees referred to in this procedure include:

1. Financial endorsements and guarantees, refers to tickets discounted financing, endorsements and guarantees for the purpose of other company's corporate financing, and receipts created for guarantees for the Company and its subsidiaries' financing apart from those in the financial business.
2. Customs endorsements and guarantees, refers to endorsements and guarantees made by the Company and its subsidiaries or other companies that are related to customs items.
3. Other endorsements and guarantees, refers to endorsements and guarantees

which cannot be included in the two preceding items. Movable property or real estate used by the Company and its subsidiaries or other companies for the purpose of loan guarantee pledges, and mortgage rights should be handled according to the main points of these regulations.

Article 4:

Amount limitations of Endorsements and Guarantees

1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth.
2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company or its subsidiaries' net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees.
3. The Endorsements and guarantees of the Company and its subsidiaries made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. Business dealings refer to the total purchase or sale of goods between the two parties.
4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of the Company's net worth.
5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of the Company's net worth.
6. Endorsements and guarantees made by the Company, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, are not subject to the restrictions of rules contained in this Article's second, third, or fifth item. However, the aggregate amount of endorsements/guarantees that the Company or its subsidiaries make for a single company may not exceed 80% of the net worth of the company providing guarantees.

Article 5:

Procedures and control of total amounts for endorsements and Guarantees.

1. Before endorsing others or providing guarantees, a careful evaluation of whether or not it conforms to the regulations of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, as well as these operating procedures. After undergoing analysis using these regulations, the results should be submitted to the Board of Directors for a resolution, and only then enacted. When necessary, it should first be approved by Chairman, and be retroactively recognized by the Board of Directors after it has been enacted. Subsidiaries where the Company directly or indirectly controls 90% of voting rights making endorsements and guarantees under Item 2 of Article 2 must first submit a proposal to the Board of Directors and receive approval before implementation. Endorsements and guarantees of companies who directly or

indirectly control 100% of voting rights are not subject to these restrictions.

2. If there are independent Directors, ample consideration of the opinions of all independent directors is necessary. The explicit agreement or opposition of the independent directors, as well as their reasons for opposition, must be recorded in the minutes of the Board of Directors.
3. When a guaranteed company requests an endorsement or guarantee, an official statement containing its uses, sum total of the endorsement and guarantee, and other relevant information should be provided. The promissory note should be provided at the same time. These restrictions do not apply to endorsements and guarantees made to subsidiaries, or endorsements and guarantees made by subsidiaries to the Company, or endorsements and guarantees falling under the circumstances as listed in Item 2 of Article 2.
4. The aforementioned official letters and promissory notes shall be provided for examination by the company providing guarantees. The key points of such examination are listed as below:
 - (1) Whether or not ample reason is provided for the request of endorsements and guarantees. Whether or not the endorsement and guarantee is necessary and reasonable.
 - (2) Credit and risk assessment of the guaranteed company, and an assessment by the company's financial department regarding the necessity of the sum of the endorsement.
 - (3) Whether or not the accumulated sum of the endorsement falls within the quota.
 - (4) The effect upon the company's operational risk, financial condition, and shareholders' rights. The possibility of other factors that may pose harm to the Company's rights and interests.
 - (5) Whether or not collateral is required, and the evaluation of the worth of the collateral.
5. The manager of the company providing guarantees should submit the audit opinion along with the official statement and promissory note to the Board of Directors or Chairman for consideration.
6. Promissory note that have been approved according to this procedure must first complete the steps listed before being returned to the guaranteed company:
 - (1) Stamped with the Company's official seal
 - (2) A copy of both sides of the promissory note for future reference
 - (3) Entered into the "reference system," so as to control the endorsement Amount
7. For the promissory notes that are rejected for endorsement or guarantees that are rejected, the company providing guarantees shall prepare a written description about the reasons for no endorsements/guarantees and then return such along with the promissory notes to the guaranteed company.
8. When an endorsed or guaranteed party originally satisfying requirements of Article 2 no longer satisfies these requirements, or the sum of the endorsement and guarantee, due to change in the calculated base quota, exceeds the

established quota, a correction must be made to the sum of the endorsement and guarantee or the amount exceeding the quota, within the time period of the contract or the company providing guarantees will set a correction plan and have it approved by the Chairman, complete all corrections within a specific time limit and report such to the board of directors and the Audit Committee.

9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the monitoring and controlling should be prescribed as follows:

The Company or its subsidiaries should, keep monitoring on the basis of the procedures of the Company's Internal Control System and the regulations of this Procedure. Additionally, a yearly evaluation of the necessity, rationality, risk, and influence upon operational risk, financial risk, and shareholders' rights to the Company and its subsidiaries, should be compiled along with guarantee information and evaluation. A written report should be given to the Chairman of the Board, as well as a report to the Board of Directors if the Chairman deems it necessary.

Article 6: Nullification of the promissory note

1. If it is necessary to nullify the promissory note due to debt settlement or new extension, the guaranteed company must prepare a document, and submit the original promissory note to the finance division of the company providing guarantees, with a "nullified" stamp. The received document will be filed for future reference.
2. The finance division of the company must update the record in the "reference system," reducing the total of endorsement sum. When the promissory note is newly extended, financial institutions often request to complete the whole procedure of new promissory note before returning the old one. Under these circumstances, the finance division of the company providing guarantees must prepare and follow up with minutes, and take the nullified promissory note back as quickly as possible.

Article 7: The Company shall apply for a registered company seal for use on endorsements and guarantees from the Ministry of Economic Affairs. The seal used for endorsements and guarantees will be taken care of by a person assigned by the Board of Directors. Materials requiring the seal or signing of invoices should go through the Company's procedure for approval. For guarantees to foreign companies, the letter of guarantee should be signed by Chairman or other personnel who is authorized by the Board of Directors.

Article 8:

Items pertaining to endorsements and guarantees made by the Company should be entered into the "reference system" by the finance division. It should include detailed information with regards to items accepted as collateral, name of company receiving endorsements and guarantees, results of risk evaluation, sum of endorsements and guarantees, date and conditions for the collection of collateral and lifting of guarantee responsibilities, date of approval by the Board of Directors or Chairman,

date of endorsement and guarantee, as well as other assessments or cancellations relevant to the endorsement and guarantee.

The Company's internal auditor should keep monitoring and auditing the procedure for endorsements and guarantees and the status of its execution every quarter. A written record of this audit should be created. If a significant transgression of regulations is discovered, a written notification must be given to each member of Audit Committee.

Article 9:

The announcement of the balance of endorsements and guarantees should be conducted according to the following procedures:

1. The Company shall announce and report the previous month's balance of endorsements and guarantees of itself and its subsidiaries along with the turnover by the 10th day of each month, which is required by the competent authority.
2. The Company whose balance of endorsements and guarantees reaches one of the following levels shall announce and report such event within two days of its occurrence:
 - (1) The aggregate balance of endorsements and guarantees by the Company and its subsidiaries reaches 50% or more of The Company's net worth as stated in its latest financial statement.
 - (2) The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches 20 % or more of the Company's net worth as stated in its latest financial statement.
 - (3) The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches TWD 10 million or more and the aggregate amount of all endorsements and guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30 % or more of The Company's net worth as stated in its latest financial statement.
 - (4) The amount of new endorsements and guarantees made by the Company or its subsidiaries reaches TWD 30 million or more, and reaches 5 % or more of the Company's net worth as stated in its latest financial statement.

The Company 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 subparagraph 4 of the preceding paragraph. If the total sum of an endorsement and guarantee reaches the circumstance mentioned in the first listed item of subsection two of the first item, the following items should be announced:

1. The name of the company where the endorsement and guarantee exceeded

TWD 100 million or exceeded 5% of net worth as stated in its latest financial statement, its relation to the Company, amount of the endorsement and guarantee, the total balance of endorsement and guarantee up to the date of occurrence, and reason.

2. The proportion of the Company's net worth as stated in its latest financial statement that the endorsement and guarantee constitutes up to the date of occurrence.

If the balance of endorsements and guarantees to a single enterprise reaches the second, third, or fourth listed item of the second section, the following items should be announced:

1. The name of the company receiving endorsements and guarantees, its relation to the Company, the total balance of endorsements and guarantees, the original amount of the endorsement and guarantee, the amount of the newly added endorsement and guarantee and reason.
2. The content and value of collateral provided by the company receiving endorsements and guarantees
3. The cumulative gain or loss of the most recent financial report of the company receiving endorsements and guarantees
4. Conditions or dates for the removal of responsibilities for endorsements and guarantees
5. The proportion of the company receiving the endorsements and guarantees' net worth as stated in its latest financial statement that the endorsement and guarantee constitutes up to the date of occurrence.
6. The proportion of the Company and the company receiving the endorsements and guarantees business transactions in the previous year that the endorsement and guarantee constitutes up to the date of occurrence.
7. The proportion of the Company's net worth as stated in its latest financial statement that the combined total of long-term investments, endorsements and guarantees, and lending funds constitutes up to the date of occurrence.

Article 10: The Company should provide materials related to endorsements and guarantees to be signed by a CPA, and illustrated in the audit report.

Article 11:

Before implementing the Procedures for endorsements or guarantees, recognition by the Board of Directors according to the all of the above articles should be carried out. If there are parts which exceed the provided limit, the difference should be nullified in order to reduce the total.

Article 12:

If subsidiary of the company wishes to make endorsement/guarantee for others, it shall conform to the operating procedure for making endorsement/guarantee defined in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," or follow the SOP if no such operating procedure is defined. If the subsidiary was established overseas, then the local registered company seal shall serve as the proper seal for endorsements and guarantees, provided that if it is not necessary to register the specimen seal pursuant to the local laws, the requirements about the seal defined herein shall not apply.

Article 13:

If a manager or organizer of the company violates the Procedures, an assessment must be carried out according to the personnel administration rules and the employee handbook. The severity of the punishment will be based on the circumstances.

Article 14:

The Procedures, and any amendments thereto, shall be deliberated by the Audit Committee, submitted to the board of directors for a resolution, and then submitted to the shareholders' meeting for the adoption of the Regulation before they are implemented.

Article 15:

The Procedures were created on 21 May 1991
The 1st amendment was made on 7 May 1997
The 2nd amendment was made on 27 Sep 2002
The 3rd amendment was made on 26 June 2003
The 4th amendment was made on 23 June 2005
The 5th amendment was made on 23 June 2006
The 6th amendment was made on 19 June 2009
The 7th amendment was made on 18 June 2010
The 8th amendment was made on 27 June 2012
The 9th amendment was made on 14 June 2013
The 10th amendment was made on 22 June 2017

WAN HAI LINES LTD. General Shareholders Meeting Rules

Article 1:

In order to create an excellent system of governance for the shareholders meeting, complete supervisory functions, and strengthened management functions, these regulations have been created as a way of complying with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2:

Unless otherwise specified by law, the Company's shareholders meetings rules of procedure must proceed according to this policy.

Article 3:

An Agenda shall be provided for the shareholders meeting, and notification sent to each shareholder 30 days prior to the shareholders meeting. Notification of the shareholders meeting for shareholders holding less than 1000 shares is permitted to be done by public announcement 30 days prior to the shareholders meeting. Both notification and public announcement should be clearly recorded as pertaining to the convening of the shareholders meeting. Electronic notification may be allowed after the consent of the shareholder. Selection or resignation of directors, supervisors, changes to Memorandum of Association, corporate liquidation, mergers, divestments, or any items contained in Article 185 Item 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed, and not brought up by extraordinary motion.

Shareholders holding 1% or more of distributed shares must submit proposals in writing to the Company. Proposals by shareholders are limited to one item, any items exceeding this amount will not be made into a motion. Additionally, if any proposals made by shareholders are amongst any of the situations listed in Article 172-1 Item 4 of the Company Act, the Board of Directors is required to not list it as a motion.

The Company should, prior to convening the shareholders meeting, halt the transfer of shares to the shareholder proposing the motion, and notify the shareholder of the location, and time period of acceptance. The period of acceptance should not be under 10 days.

A motion proposed by a shareholder should not exceed 300 words. Proposals exceeding 300 words will not be entered into a motion. The proposing shareholder or a proxy should be attendance at the shareholders general meeting, and participate in discussion of the motion.

The Company should notify the results of the proposed motion to the proposing shareholder before the announcement of the shareholders meeting, and the proposed motion should be included in the shareholders meeting notification.

With regards to proposals not entered into motions, the Board of Directors should give explanation of the reason for the proposal not entering into a motion at the shareholders meeting.

Article 4:

Shareholders wishing for a proxy to attend the shareholders meeting must produce the Company's proxy form and specify the scope of delegated authority.

One shareholder is limited to one proxy application and one proxy. Forms must be delivered to the Company five days prior to the shareholders meeting. In the case of duplicate forms, the form first received will be accepted. The cancellation of a previous proxy is not subject to these constraints.

After the proxy form is delivered to the Company, and the shareholder desires to personally attend the shareholders meeting, or vote in written or electronic form, a written notification of the cancellation of a proxy must be delivered to the Company no later than two days before the shareholders meeting. For those wishing to cancel who exceed the time limit, the proxy will attend and voting rights.

Article 5:

The location of the shareholders meeting should be in a place where the Company is located, or a location that is suitable and convenient for shareholders. The meeting must not commence anytime earlier than 9a.m. or later than 3p.m..

Article 6:

The company will provide an attendance log to record the shareholders or proxies of shareholders (hereafter referred to as shareholders) attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The company will provide the Agenda, Annual Report, Attendance Record, Statement Cards, Voting Cards, and other meeting-related information to the attending shareholders. For elections of directors and supervisors, ballots will be distributed as well.

Shareholders should attend the shareholders meeting possessing an Attendance Certificate, Attendance Cards, or other proof of attendance; those acting as proxies should bring their identification cards for confirmation. Governments or corporations acting as shareholders are not limited to one attending person. Corporations acting as proxies attending the meeting must designate one representative for attendance.

Article 7:

Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform his or her duties due to leave of absence or other reason, the Vice Chairman acts on his behalf. If there is no Vice Chairman or the Vice Chairman is unable to perform his or her duties due to leave of absence or other reason, the Chairman may

appoint a director to act on his behalf. If no one is appointed, the remaining directors may choose a director to perform the Chairman's duties.

For shareholders meetings called by the Board of Directors, the number of participating directors who attend must exceed one half.

If the shareholder meeting is convened by someone other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one amongst themselves to chair the meeting.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to the shareholders meeting.

Article 8:

The Company's shareholders meetings must be recorded in video or audio, and kept for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the audio or video recordings must be retained until the end of litigation.

Article 9:

Attendance of shareholders meeting should be calculated on the basis of number of shares. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.

The chairman should announce the commencement of the meeting as soon as it is due. However, if the number of shares held by those in attendance number less than 50% of all outstanding shares, the chairman may postpone the meeting up to two times, the total time of postponement may not exceed one hour. If the number of outstanding shares represented does not exceed one third after the second postponement, the chairman must announce the lack of quorum.

If, after two postponements, the number of shares represented still does not exceed 50%, but exceeds one-third of all outstanding shares, the Company may proceed according to item 1 of Article 175 of the Company Act to reach a temporary resolution with the approval of more than half of voting rights represented during the meeting. The temporary resolution must be communicated to shareholders, and a new shareholders meeting must be convened within a month. If the number of shares represented during the meeting reaches a total of over half of all outstanding shares, the chairman may re-propose the temporary resolutions for final voting according to Article 174 of the Company Act.

Article 10:

If the shareholders' meeting is convened by the Board of Directors, then the agenda will be set by the Board of Directors. The meeting shall proceed according to the agenda, and may not be modified without a resolution from the shareholders meeting.

The aforementioned rules also apply to meetings convened by other authorized parties. The meeting chairman cannot dismiss the meeting while an agenda (including special motions) is still in progress without an official resolution. If the chairman violates meeting rules and dismiss the meeting, the other directors must quickly attend to the shareholders according to legal procedures. With the approval of more than half of voting rights represented during the meeting another person may be chosen as chairman, and the meeting may proceed.

The chairman must give ample opportunities for the explanation and discussion of proposals, and corrections or special motions raised by shareholders. When the meeting chairman believes a resolution can be reached, he or she may announce the end of discussion, and proceed with voting.

Article 11:

Shareholders wishing to speak during the meeting must first produce a Speak Request Form, detailing the topic of speaking, and the shareholder's name and account number. The order of the shareholders' comments will be determined by the chairman. Shareholders who submit Speak Request Forms without speaking are considered to have remained silent. If the shareholders spoken comments differ from the comments recorded on the Speak Request Form, the spoken comments take precedence.

Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the chairman. The meeting chairman may stop shareholders in violation of these rules, or shareholders whose comments are irrelevant to the proposal.

While a shareholder is speaking, other shareholders may not speak to disrupt the speaker without the consent of the meeting chairman and the speaker. The meeting chairman shall restrain any violators. For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda. When a shareholder is finished speaking, the chairman must reply, either personally or by assigned relevant personnel.

Article 12:

Voting in the shareholders meeting is determined on the basis of shares. Non-voting shareholders are not counted in the total number of issued shares for resolutions at the shareholders meeting.

Shareholders cannot vote, or appoint proxies to vote, on any agendas that present conflicting interests, if doing so may compromise the Company's interests.

The numbers of shares that are subject to voting restrictions are not counted in the attending shareholders' number of voting rights.

Apart from trust organizations or shareholders service organizations approved by the competent authority, a person serving as proxy for two or more people may not have voting right in excess of 3% of the voting rights of issued shares. Voting rights that do exceed 3% will not be counted.

Article 13:

Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in item 2 of Article 179 of the Company Act where no voting rights are granted.

When the shareholder meeting is convened, voting rights can be exercised in writing or through electronic methods. Instructions for exercising voting rights in writing or through electronic methods must be clearly stated in the notification to shareholders of the convening of the shareholders meeting. Shareholders who have voted in writing or through electronic methods are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.

The intention to use written and electronic votes mentioned above must be delivered to the Company at least two days before the shareholders meeting. If there are duplicate submissions, the earlier submission takes precedence.

However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.

If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote at least two days before the shareholders meeting. If the request is submitted after the deadline, the original exercise of voting rights by written or electronic vote will be counted. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall take precedence. Votes on motions, unless otherwise specified by the Company Act or the Company's Memorandum of Association, shall be passed with the approval of over half of the attending shareholders voting rights. At the time of voting, the total number of shareholders voting rights should be announced by the chairman or appointed personnel.

If the chairman consults the entirety of attending shareholders without objection regarding a motion, it is considered passed. Its efficacy is the same as deciding by vote. If there are objections, the motion must be voted on by the methods described above. If there are several amendments or alternate solutions to a motion, the meeting chairman will determine the voting sequence. If any of the motions are passed, all other motions are deemed rejected and no further voting is necessary.

The meeting chairman will appoint a ballot examiner and ballot counter for voting on motions. However, the ballot examiner must be a shareholder. Ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.

Article 14:

The election of directors and supervisors must be conducted in accordance to the Company's relevant election procedures. The results of the election shall be announced at the shareholders

meeting. The previous item's election ballot must be signed and sealed by the ballot inspector and preserved for at least a year.

However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the ballots must be retained until the end of litigation.

Article 15:

The resolutions passed at the shareholders meeting must be compiled into minutes, signed or stamped by the meeting chairman. The minutes must be delivered to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be done by electronic methods.

The Company for distribution of the meeting minutes must be entered as an announcement into a Market Observation Post System. The minutes must detail the year, month, day, and location of the meeting, the chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained for as long as the company continues to exist. Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If objections were raised by shareholders, then the resolution must be noted as having passed by way of voting, with details on the number of passing votes.

Article 16:

The amount of shares solicited by solicitors and represented by proxies should be noted in chart form on the day of the shareholders meeting, and shown prominently at the venue of the shareholders meeting.

If resolutions of the shareholders meeting fall are regarded as important news pertaining to laws and regulations or regulations of the Taiwan Stock Exchange, the Company must report the content of the resolution on the Market Observation Post System within the designated time period.

Article 17:

Staff running the shareholders meeting should wear I.D. badges or armbands.

The chairman may instruct picket members (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all picket members (or security staff) must wear arm badges or I.D. badges which identify their roles as a "picket member".

For meetings equipped with sound amplifying devices, shareholders not using sound amplifying devices prepared by the Company while speaking must be stopped by the chairman. The Chairman may call upon picket members or security staff to escort shareholders from the premises who are violating rules of procedure and not adhering to the chairman's corrections, or are hampering the proceedings of the meetings who refuse to be stopped.

Article 18:

The chairman may call the meeting into recess at a suitable time. In the occurrence of any force majeure events, the meeting chairman may suspend the meeting and announce the time of continuation of the meeting after examining the situation.

If the agenda arranged by the Board of Directors (including special motions) has not reached its conclusion, and the location of the shareholder meeting cannot be used for any longer, it is up to the Board of Directors to find another suitable place for the meeting. According to regulations of Article 182 of the Company Act, the Board of Directors may postpone a meeting for not more than five days, or to reconvene the meeting within five days.

Article 19:

These rules shall become effective once resolved during the shareholders meeting; the same applies to all subsequent revisions.

Article 20:

These rules were created on 21 May 1991

The 1st amendment was made on 13 May 1998

The 2nd amendment was made on 29 June 2002

The 3rd amendment was made on 23 June 2006

The 4th amendment was made on 24 June 2011

The 5th amendment was made on 27 June 2012

WAN HAI LINES LTD. General Shareholders Meeting Rules

Article 1:

In order to create an excellent system of governance for the shareholders meeting, complete supervisory functions, and strengthened management functions, these regulations have been created as a way of complying with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2:

Unless otherwise specified by law, the Company's shareholders meetings rules of procedure must proceed according to this policy.

Article 3:

An Agenda shall be provided for the shareholders meeting, and notification sent to each shareholder 30 days prior to the shareholders meeting. Notification of the shareholders meeting for shareholders holding less than 1,000 shares is permitted to be done by public announcement 30 days prior to the shareholders meeting.

Both notification and public announcement should be clearly recorded as pertaining to the convening of the shareholders meeting. Electronic notification may be allowed after the consent of the shareholder.

Selection or resignation of directors, changes to Memorandum of Association, corporate liquidation, mergers, divestments, or any items contained in Article 185 Item 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed, and not brought up by extraordinary motion.

Shareholders holding 1% or more of distributed shares must submit proposals in writing to the Company. Proposals by shareholders are limited to one item; any items exceeding this amount will not be made into a motion. Additionally, if any proposals made by shareholders are amongst any of the situations listed in Article 172-1 Item 4 of the Company Act, the Board of Directors is required to not list it as a motion.

The Company should, prior to convening the shareholders meeting, halt the transfer of shares to the shareholder proposing the motion, and notify the shareholder of the location, and time period of acceptance. The period of acceptance should not be under 10 days.

A motion proposed by a shareholder should not exceed 300 words. Proposals exceeding 300 words will not be entered into a motion. The proposing shareholder or a proxy should be attendance at the shareholders general meeting, and participate in discussion of the motion.

The Company should notify the results of the proposed motion to the proposing shareholder before the announcement of the shareholders meeting, and the proposed motion should be included in the shareholders meeting notification.

With regards to proposals not entered into motions, the Board of Directors should give explanation of the reason for the proposal not entering into a motion at the shareholders meeting.

Article 4:

Shareholders wishing for a proxy to attend the shareholders meeting must produce the Company's proxy form and specify the scope of delegated authority.

One shareholder is limited to one proxy application and one proxy. Forms must be delivered to the Company five days prior to the shareholders meeting. In the case of duplicate forms, the form first received will be accepted. The cancellation of a previous proxy is not subject to these constraints.

After the proxy form is delivered to the Company, and the shareholder desires to personally attend the shareholders meeting, or vote in written or electronic form, a written notification of the cancellation of a proxy must be delivered to the Company no later than two days before the shareholders meeting. For those wishing to cancel who exceed the time limit, the proxy will attend and voting rights.

Article 5:

The location of the shareholders meeting should be in a place where the Company is located, or a location that is suitable and convenient for shareholders. The meeting must not commence anytime earlier than 9a.m. or later than 3p.m..

Article 6:

The company will provide an attendance log to record the shareholders or proxies of shareholders (hereafter referred to as shareholders) attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The company will provide the Agenda, Annual Report, Attendance Record, Statement Cards, Voting Cards, and other meeting-related information to the attending shareholders. For elections of directors, ballots will be distributed as well.

Shareholders should attend the shareholders meeting possessing an Attendance Certificate, Attendance Cards, or other proof of attendance; those acting as proxies should bring their identification cards for confirmation. Governments or corporations acting as shareholders are not limited to one attending person.

Corporations acting as proxies attending the meeting must designate one representative for attendance.

Article 7:

Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform his or her duties due to leave of absence or other reason, the Vice Chairman acts on his behalf. If there is no Vice Chairman or the Vice Chairman is unable to perform his or her duties due to leave of absence or other reason, the Chairman may appoint a director to act on his behalf. If no one is appointed, the remaining directors may choose a director to perform the Chairman's duties.

For shareholders meetings called by the Board of Directors, the number of participating directors who attend must exceed one half.

If the shareholder meeting is convened by someone other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one amongst themselves to chair the meeting.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to the shareholders meeting.

Article 8:

The Company's shareholders meetings must be recorded in video or audio, and kept for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the audio or video recordings must be retained until the end of litigation.

Article 9:

Attendance of shareholders meeting should be calculated on the basis of number of shares. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.

The chairman should announce the commencement of the meeting as soon as it is due. However, if the number of shares held by those in attendance number less than 50% of all outstanding shares, the chairman may postpone the meeting up to two times, the total time of postponement may not exceed one hour. If the number of outstanding shares represented does not exceed one third after the second postponement, the chairman must announce the lack of quorum.

If, after two postponements, the number of shares represented still does not exceed 50%, but exceeds one-third of all outstanding shares, the Company may proceed according to item 1 of Article 175 of the Company Act to reach a temporary resolution with the approval of more than half of voting rights represented during the meeting. The temporary resolution must be communicated to shareholders, and a new shareholders meeting must be convened within a month. If the number of shares represented during the meeting reaches a total of over half of all outstanding shares, the chairman may re-propose the temporary resolutions for final voting according to Article 174 of the Company Act.

Article 10:

If the shareholders' meeting is convened by the Board of Directors, than the agenda will be set by the Board of Directors. The meeting shall proceed according to the agenda, and may not be modified without a resolution from the shareholders meeting.

The aforementioned rules also apply to meetings convened by other authorized parties. The meeting chairman cannot dismiss the meeting while an agenda (including special motions) is still in progress without an official resolution. If the chairman violates meeting rules and dismiss the meeting, the other directors must quickly attend to the shareholders according to legal procedures.

With the approval of more than half of voting rights represented during the meeting another person may be chosen as chairman, and the meeting may proceed.

The chairman must give ample opportunities for the explanation and discussion of proposals, and corrections or special motions raised by shareholders. When the meeting chairman believes a resolution can be reached, he or she may announce the end of discussion, and proceed with voting.

Article 11:

Shareholders wishing to speak during the meeting must first produce a Speak Request Form, detailing the topic of speaking, and the shareholder's name and account number. The order of the shareholders' comments will be determined by the chairman. Shareholders who submit Speak Request Forms without speaking are considered to have remained silent. If the shareholders spoken comments differ from the comments recorded on the Speak Request Form, the spoken comments take precedence.

Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the chairman. The meeting chairman may stop shareholders in violation of these rules, or shareholders whose comments are irrelevant to the proposal.

While a shareholder is speaking, other shareholders may not speak to disrupt the speaker without the consent of the meeting chairman and the speaker. The meeting chairman shall restrain any violators. For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda. When a shareholder is finished speaking, the chairman must reply, either personally or by assigned relevant personnel.

Article 12:

Voting in the shareholders meeting is determined on the basis of shares. Non-voting shareholders are not counted in the total number of issued shares for resolutions at the shareholders meeting.

Shareholders cannot vote, or appoint proxies to vote, on any agendas that present conflicting interests, if doing so may compromise the Company's interests.

The number of shares that are subject to voting restrictions are not counted in the attending shareholders' number of voting rights.

Apart from trust organizations or shareholders service organizations approved by the competent authority, a person serving as proxy for two or more people may not have voting right in excess of 3% of the voting rights of issued shares. Voting rights that do exceed 3% will not be counted.

Article 13:

Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in item 2 of Article 179 of the Company Act where no voting rights are granted.

When the shareholder meeting is convened, voting rights can be exercised in writing or through

electronic methods. Instructions for exercising voting rights in writing or through electronic methods must be clearly stated in the notification to shareholders of the convening of the shareholders meeting. Shareholders who have voted in writing or through electronic methods are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.

The intention to use written and electronic votes mentioned above must be delivered to the Company at least two days before the shareholders meeting. If there are duplicate submissions, the earlier submission takes precedence.

However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.

If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote at least two days before the shareholders meeting. If the request is submitted after the deadline, the original exercise of voting rights by written or electronic vote will be counted. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall take precedence. Votes on motions, unless otherwise specified by the Company Act or the Company's Memorandum of Association, shall be passed with the approval of over half of the attending shareholders voting rights. At the time of voting, the total number of shareholders voting rights should be announced by the chairman or appointed personnel.

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The meeting chairman will appoint a ballot examiner and ballot counter for voting on motions. However, the ballot examiner must be a shareholder. Ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.

Article 14:

The election of directors must be conducted in accordance to the Company's relevant election procedures. The results of the election shall be announced at the shareholders meeting. The previous item's election ballot must be signed and sealed by the ballot inspector and preserved for at least a year.

However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the ballots must be retained until the end of litigation.

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The resolutions passed at the shareholders meeting must be compiled into minutes, signed or stamped by the meeting chairman. The minutes must be delivered to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be done by electronic methods.

The Company for distribution of the meeting minutes must be entered as an announcement into a Market Observation Post System. The minutes must detail the year, month, day, and location of the meeting, the chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained for as long as the company continues to exist. Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If objections were raised by shareholders, then the resolution must be noted as having passed by way of voting, with details on the number of passing votes.

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The amount of shares solicited by solicitors and represented by proxies should be noted in chart form on the day of the shareholders meeting, and shown prominently at the venue of the shareholders meeting.

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Staff running the shareholders meeting should wear I.D. badges or armbands.

The chairman may instruct picket members (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all picket members (or security staff) must wear arm badges or I.D. badges which identify their roles as a "picket member".

For meetings equipped with sound amplifying devices, shareholders not using sound amplifying devices prepared by the Company while speaking must be stopped by the chairman. The Chairman may call upon picket members or security staff to escort shareholders from the premises who are violating rules of procedure and not adhering to the chairman's corrections, or are hampering the proceedings of the meetings who refuse to be stopped.

Article 18: The chairman may call the meeting into recess at a suitable time. In the occurrence of any force majeure events, the meeting chairman may suspend the meeting and announce the time of continuation of the meeting after examining the situation.

If the agenda arranged by the Board of Directors (including special motions) has not reached its

conclusion, and the location of the shareholder meeting cannot be used for any longer, it is up to the Board of Directors to find another suitable place for the meeting. According to regulations of Article 182 of the Company Act, the Board of Directors may postpone a meeting for not more than five days, or to reconvene the meeting within five days.

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These rules shall become effective once resolved during the shareholders meeting; the same applies to all subsequent revisions.

Article 20:

These rules were created on 21 May 1991

The 1st amendment was made on 13 May 1998

The 2nd amendment was made on 29 June 2002

The 3rd amendment was made on 23 June 2006

The 4th amendment was made on 24 June 2011

The 5th amendment was made on 27 June 2012

The 6th amendment was made on 22 June 2017

Other Information That Should Be Disclosed

I. 2015 Earnings Distribution: Directors and Supervisors Remunerations and Employee Bonuses:

Unit: NTD

Items	Sub-Total	Stock Conversion	Scale of Stock Dilution
Director and Supervisor Remunerations	\$57,306,693	-	-
Employee Bonuses (Cash)	\$57,306,693	-	-
Employee Bonuses (Stock)	\$0	-	-
Total	\$114,613,386	-	-

Note: The above distribution matched a Board of Directors resolution reached on Mar 18, 2016.

II. Dividends Policy

1. Before the shareholders amended the Memorandum of Association, the Company’s dividend policy has been modified as follows:

Article 11: If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors and Supervisors. However, if there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.

The industry in which the Company operates is changeable, and is capital-intensive. In times of stable growth, the Company considers future capital needs, and long-term financial plans, as well as satisfying shareholder needs pertaining to cash inflows, any surplus earnings after the Company’s total annual accounts have been calculated, after tax, and compensation for accumulated losses, are then carried to the 10% legal reserve, and according to the law, set aside or added to the reversal of special reserve. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, this shall be made using the surplus within the special reserve, along with undistributed earnings within the same year to complete the amount needed, including 30% or more of the undistributed earnings at the beginning of the period will be considered in regards to the Company’s capital requirements by the Board of Directors, along with the capital budget and other factors. The interests of shareholders and the company's long-term financial planning will be taken into account, with the proportion of dividends and dividend distribution being assigned after the shareholders' meeting.

The cash or shares distribution ratio, is subject to the current years' profits, financial conditions, and capital expansion program dividend distribution scheme, where the proportion of cash dividends may not be below 10% of total dividends.

2. After the shareholders amended the Memorandum of Association, the Company's dividend policy has been modified as follows:

Article 11: If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors. However, if there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.

The industry in which the Company operates is changeable, and is capital-intensive. In times of stable growth, the Company considers future capital needs, and long-term financial plans, as well as satisfying shareholder needs pertaining to cash inflows, any surplus earnings after the Company's total annual accounts have been calculated, after tax, and compensation for accumulated losses, are then carried to the 10% legal reserve, and according to the law, set aside or added to the reversal of special reserve. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, this shall be made using the surplus within the special reserve, along with undistributed earnings within the same year to complete the amount needed, including 30% or more of the undistributed earnings at the beginning of the period will be considered in regards to the Company's capital requirements by the Board of Directors, along with the capital budget and other factors. The interests of shareholders and the company's long-term financial planning will be taken into account, with the proportion of dividends and dividend distribution being assigned after the shareholders' meeting.

The cash or shares distribution ratio, is subject to the current years' profits, financial conditions, and capital expansion program dividend distribution scheme, where the proportion of cash dividends may not be below 10% of total dividends.

The amendments to the Dividend Policy of the Memorandum of Association are due to the Audit Committee replacing the Supervisors. Therefore, the deleted word "Supervisors," remains unchanged in this description.

III. Proposed distribution of retained earnings of year 2016

1. The Company's 2016 net income after tax was NT\$1,141,680,063. In accordance with relevant laws and the Memorandum of Association, 10% of this amount NT\$114,168,006, and the reversal of special reserve was NT\$1,053,281,283, with the addition of beginning period undistributed earnings of NT\$1,614,528,125, and other comprehensive losses with a deduction of NT\$ 120,251,173 (the 2016 annual benefit scheme number was re-evaluated), the available undistributed earnings was NT\$3,575,070,292. In addition to the non-allocation at the beginning period of undistributed earnings, the 2016 annual earnings appropriation was NT\$887,318,986 for distribution to shareholders as cash dividend of NT\$0.4 per share. The influence of stock dividends toward operating performance, EPS, and ROE of the company: It is not applicable.
2. Employees' bonus and Directors' and Supervisors' remuneration:
The current period estimated employees' remuneration and Directors' and Supervisors' remuneration is based on the calculation of number of stock dividends issued and actual issued monetary amount. Any differences between the estimated and actual amount are then accounted for: the current period estimated employees' remuneration was NT\$14,871,277, and the Directors' and Supervisors' remuneration was NT\$14,871,277, as the same figure was allotted by the Board of Directors for both groups.

Status of the Number of Shares Held by Directors and Supervisors

1. Detailed Table of the minimum shares held by all Directors and all Supervisors, and share numbers recorded in shareholder registration book

Title Name	Shall Maintain An Aggregate Holding of Shares	Share Numbers Recorded in the Shareholder Registration Book (shares)
Director	53,239,139 Shares	77,788,805 Shares
Supervisor	5,323,913 Shares	28,895,025 Shares

Note: Book closure date: Apr 24, 2017

2. Detailed Table of amount of shares held by Directors and Supervisors

Until book closure date: Apr 24, 2017

Title	Name	Share Numbers Recorded in the Shareholder Registration Book(shares)	Notation
Chairman	Po-Ting Chen	9,603,548 Shares	
Director	FORMOSA WONDERWORLD CO., LTD.	880,794 Shares	Representative: Cheng-Hsien Lin
Director	TAILI CORPORATION	5,469,256 Shares	Representative: Randy Chen
Director	CHEN-YUNG FOUNDATION	31,902,176 Shares	Representative: Chih-Chao Chen
Director	SHIH LIN PAPER CORP.	29,933,031 Shares	Representative: Mr. Fur-Lung Hsieh
Independent Directors	Ruei-Chuen Liu	525 Shares	
Independent Directors	Rung-Nian Lai	0 Shares	
Supervisor	YEE SING CO., LTD.	1,470,000 Shares	Representative: Chiu-Ling Wu
Supervisor	YI TEH OPTICAL TECHNOLOGY CO., LTD.	7,698,024 Shares	Representative: Chih-Hsiang Chen
Supervisor	Hwa-Mei Lin Yen	19,727,001 Shares	

Note 1: The Company has a paid-up capital of NT\$22,182,974,660, issued in 2,218,297,466 ordinary shares.

Note 2: All Directors and all Supervisors shall maintain an aggregate holding of shares have reached the legal standards.