

Stock Code: 2615

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WAN HAI LINES LTD.
2020 Annual General Shareholders' Meeting

Time: June 23, 2020

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.

2020 Annual General Shareholders' Meeting Procedures

1. Commence Meeting

2. Chairman's Speech

3. Reports

4. Elections

5. Discussions

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7. Special Motions

8. Dismissal

WAN HAI LINES LTD.

2020 Annual General Shareholders' Meeting Agenda

- (1) Time: 9:00 a.m. Tuesday, June 23, 2020
- (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. 2019 Annual Employees' Remuneration and Directors' Remuneration Report
 2. 2019 Business Report
 3. Audit Committee's Review Report on the 2019 Financial Statements
 4. 2020 Domestic Unsecured Corporate Bond Issuance
 5. Amendment to Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Procedures and Conduct Guidelines
- (6) Elections
 1. Elections for Directors (Including Independent Directors), 21st Board of Directors
- (7) Discussions
 1. Release of the Non-Competition Restriction for members of the Company's new Board of Directors
 2. Amendment to the Articles of Incorporation
 3. Amendment to the Rules and Procedures of Shareholders Meeting
 4. Amendment to the Procedures for the Election of Directors
- (8) Acknowledgements
 1. Presenting the 2019 Financial Statements and Business Report
 2. Presenting the 2019 Earnings Appropriation
- (9) Special Motions
- (10) Dismissal

【 Reports 】

(1) Please examine the 2019 Annual Employees' Remuneration and Directors' Remuneration Report.

Explanatory Notes: The Company's 2019 annual profit was NT\$4,531,561,559 (pre-tax benefit before the deduction of employees' remuneration and directors' remuneration), with a provision of 1% for employees' remuneration as NT\$45,315,616 and 1% for Directors' remuneration as NT\$45,315,616. The employees' remuneration and directors' remuneration are to be distributed in cash.

(2) Please examine the 2019 Business Report.

Explanatory Notes: Please refer to Attachment 1. (Page 9~15)

(3) Please examine the Audit Committee's Review Report on the 2019 Financial Statements.

Explanatory Notes: Please refer to Attachment 3. (Page 31~32)

(4) Please examine 2020 Domestic Unsecured Corporate Bonds Issuance.

Explanatory Notes: In order to conform to the needs of commercial practice, the Board approved to issue single or multiple times of Domestic Unsecured Corporate Bonds on March 26th, 2020. The total amount shall not exceed NTD \$4 billion. Board of director authorized the chairman to decide all the terms of the bond based on the actual market situation. It is proposed to repay loans and to strengthen financial structure.

(5) Please examine the amendment to Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Procedures and Conduct Guidelines.

Explanatory Notes:

1. Pursuant to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Procedures for Ethical Management and Guidelines for Conduct to amend Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Procedures and Conduct Guidelines. The comparison table for before and after revision is attached hereto as Attachment 4 and Attachment 5 (page 33~40) and please refer to Appendix 1 and Appendix 2 (page 54~74) for amended articles.
2. This is approved by 17th meeting of 20th Board directors on March 26th, 2020.

【Elections】

1st Motion:

Subject: Elections for Directors (Including Independent Directors), 21st Board of Directors (Proposed by the Board of Directors)

Explanatory Notes:

1. The term of Directors, 20th Board of Directors has expired on June 21, 2020. The Board of Directors resolved that all Directors will be elected at this Annual General Shareholders' Meeting in accordance with Article 195 of the Company Act.
2. Under the Articles of Incorporation, the Company's Board of Directors consists of seven directors (including three independent directors) and the term of office for each director shall be three years and may be eligible re-election. The tenure of 21st Board of Directors (including independent directors) will commence from June 23, 2020 upon being elected and expire on June 22, 2023. The existing directors and independent directors shall continue to perform their duties until new directors are elected at this Annual General Shareholders' Meeting and assumed office.
3. The Directors (including Independent Directors) shall be elected by adopting candidates nomination system as specified in Articles of Incorporation and Article 5 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Candidates List of Independent Directors was resolved by 17th Meeting of the 20th Board of Directors on March 26, 2020 and 18th Meeting of the 20th Board of Directors on May 6, 2020. All candidates' education and professional background, experience and relevant information are attached hereto as Attachment 6 (page 41~42).
4. Please vote.

Resolution:

【Discussions】

1st Motion:

Subject: The proposal to release of the Non-Competition Restriction for members of the Company's new Board of Directors is hereby submitted for discussion. (Proposed by the Board of Directors)

Explanatory Notes:

1. In accordance with paragraph 1 of Article 209 of 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. The Company's new directors may act as directors or managers of an enterprise invested by the Company without damaging the Company's interests. In the light of this, if a nominee is elected (including the representative appointed as a director to exercise the powers and functions by a juristic person shareholder), it is propose to approve to release the new directors from the non-competition restriction on assuming posts in the enterprises invested by the Company at this Annual General Shareholders' Meeting. Please refer to Attachment 7 (page 43)
3. It is propose for discussion.

Resolution:

2nd Motion:

Subject: The proposal to amend the Articles of Incorporation of Wan Hai Lines Ltd. is hereby submitted for discussion. (Proposed by the Board of Directors)

Explanatory Notes:

1. To meet the operational requirements of our company and to identify the categories of business we conduct by the "Category Code" stipulated in Paragraph 3, Article 18 of the "Company Act", we intend to amend Article 2 of Articles of Incorporation to include the additional categories of business we conduct.
2. In response to the letter from the Ministry of Economic Affairs dated January 9, 2020 and serially numbered Jing Shang Zi Number 10802432410, amending the basis for setting aside legal reserves, we intend to amend Article 11-1 of Articles of Incorporation regarding allocation of surplus profits. For a Comparison Table listing the Articles before and after the amendment, and an explanation for the amendment, please refer to Attachment 8 (page 44); for the amended Articles of Incorporation please refer to Appendix 3 (page 75~80).
3. It is propose for discussion.

Resolution:

3rd Motion:

Subject: The proposal to amend the Rules of Procedures of the Stockholders Meeting of Wan Hai Lines Ltd. is hereby submitted for discussion. (Proposed by the Board of Directors)

Explanatory Notes:

1. We intend to amend the rules of procedures of the stockholders meeting of our company, in response to the amendment of Company Act and to comply with reference examples announced by the competent authorities.
2. For a Comparison Table listing rules of procedures before and after the amendment, please refer to Attachment 9 (page 45 ~ 51); for rules of procedures before and after the amendment, please refer to Appendix 4 and Appendix 5 (page 81 ~ 97).
3. It is propose for discussion.

Resolution:

4th Motion:

Subject: The proposal to amend the Procedures for the Election of Directors of WAN HAI LINES LTD is hereby submitted for discussion. (Proposed by Board of Directors)

Explanatory Notes:

1. In response to amend the Rules of Procedures of the Stockholders Meeting, it is propose to amend Procedures for the Election of Directors in accordance with Company act and Securities and Exchange Act.
2. The comparison table for the amendments is attached hereto as Attachment 10 (page 52) and for post-revision procedure please refer to Appendix 6 (page 98 ~ 100).
3. It is propose for discussion.

Resolution:

【Acknowledgements】

1st Motion:

Subject: Presenting the 2019 Financial Statements and Business Report for acknowledgements. (Proposed by Board of Directors)

Explanatory Notes:

1. The Company's 2019 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows (including Consolidated Financial Statements) have been audited by independent Auditors. The Financial Statements and Business Report have also been sent to the Audit Committee, and the Audit Committee has completed the examination. An Independent Auditor's Report has been included on the record.
2. For the Business Report and Financial Statements mentioned above, please refer to Attachment 1 and Attachment 2. (Pages 9~30)
3. It is propose for acknowledgements.

Resolution:

2nd Motion:

Subject: Presenting the 2019 Earnings Appropriation for acknowledgements.
(Proposed by Board of Directors)

Explanatory Notes:

1. The Company's 2019 net income after tax was NT\$3,573,702,722. In accordance with relevant laws and the Memorandum of Association, 10% of net income which equates to the amount of NT\$356,208,545 was appropriated as legal reserve and also the provision of special reserve of NT\$708,981,466. After the addition of beginning period undistributed earnings of NT\$2,926,844,869 and the other comprehensive income of NT\$11,617,276 (the 2019 annual remeasurement of defined benefit obligation), the available undistributed earnings was NT\$5,423,740,304. The 2019 annual earnings appropriation was NT\$ 1,774,637,973 for distribution to shareholders as cash dividend of NT\$0.8 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 2019.
3. Cash dividends which are listed in the shareholders' ledger on the ex-dividend date, will be proportionally calculated to the nearest NT Dollar. Any amount less than NT\$1 will be 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 record date 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 2019 Earnings Appropriation table, please refer to Attachment 11 (Page 53).
6. It is propose for acknowledgements.

Resolution:

【Special Motions】

【Dismissal】

WAN HAI LINES LTD.

Business Report

I. Operating Principles

Global economic growth slowed down rapidly in 2019, due to uncertainties in global trading policies, slowdown of economic growth in emerging markets, exacerbation of global natural disasters and fluctuations in international crude oil prices. In this rapidly changing industry environment, the company continues to maintain its consistent business policy in pursuit of the goals of sustainable operations and to fulfill social responsibilities. When operating and opening up new shipping routes, the company carry out cautious and inclusive planning in advance, to promptly respond to market needs and to maintain our leading competitiveness in the industry.

At the same time all our colleagues, in the spirit of mutual help and cooperation and professional service attitude, and in line with our philosophy of “Customer First, Full Participation, Environmental Protection and Sustainable Operations”, the company implement customer services, fulfills social obligations, and reducing ship carbon emissions to protect the environment. The company strive for sustainable and steady growth so as not to let down the expectations and support of our shareholders and the society. We will continue to create good performances and investment values.

II. Operation Overview

1. External Environment Changes

(1) Economic prosperity: Economic Situation: Uncertainties in international trade increased in 2019, especially the continuation of trade conflict between the U.S.A. and China, and the trade war between Japan and South Korea, also the economic growth of emerging markets continued to slow down, therefore the future economy will be weak, however under a healthy financial structure, global trade and economy may rebound after touching bottom. The growth of global economy will take a hit as the impacts of COVID-19 continuous. According to United Nations surveys, it is predicted that in 2019, global trade will decrease to 0.3%, lower than the 3.6% of 2018; the IMF estimated that the economic growth for 2019 will be 2.9%, lower than the 3.6% of 2018, and predicted the 2020 world economic growth will be -3.0%; HIS Markit estimated the 2019 world economic growth would be

2.6%, down from the 3.17% of 2018.

- (2) Bunker Fuel price: Although due to weak demand in the second half of the year 2018, the average price of Brent crude reached U.S.\$55.94 per barrel, but in 2019, oil prices continued to rise, due to factors such as production cuts by OPEC countries, continued geopolitical risks in the Middle East and the air raid against the largest oil refinery in Saudi Arabia. The average oil price came to U.S.\$64.41 per barrel. However in 2019 global governments has been put on lockdown to combat COVID-19 outbreak, oil prices was rapidly decreased following the decrement of energy demand. The U.S. Energy Information Administration (EIA) predicted that the price of crude oil in 2019 would decrease to U.S.\$33 per barrel. From 2020 onwards, continued control of production capacity by OPEC countries and only low sulfur fuel will be allowed, and so fuel cost will increase substantially for global container shipping operators and their business profitability will be compressed.
- (3) Charter market: Due to IMO's restrictions regarding ship sulfur emissions in 2020, some of the ship-owners of large container ships, do not purchase low sulfur fuel, but instead, install desulphurization facilities to meet IMO regulations. A large number of ships are docked, causing demand for chartering large container ships to rise, and pushing up charter rates in the large container ship charter market. According to the statistics of Alphaliner Charter Rate Index and Freight Rate Indices, the charter rate index came to 80.4 in December, 2019, a hike of approximately 44% compared to 55.9 in December 2018. The daily charter rate for a 8,500 TEU large container ship rose from U.S.\$13,000 to U.S.\$30,000, the highest increase rate of 131%. Charter rates for container ships with only about 1,000TEU capacity remained unchanged as they were not affected by installation of desulphurization facilities.
- (4) Market competition: According to Alphaliner statistics, in 2019 114 container ships were scrapped or lost globally, decreasing a total shipping space of 207,518 TEU. In 2019 global ship-owners signed contracts for building 97 new ships, with a total capacity of 783,901 TEU. As the number of existing container ships decrease only by a small amount, while orders for new ones increase rapidly, and new super-large container ships built in 2019 are gradually delivered, the number of container ships globally, rose from 5,291 ships/22,337,246 TEU at the end of 2018 to 5,337 ships/23,228,497 TEU, a growth of about 4%(Jet 5). All shipping routes are continually using larger ships to decrease unit costs, e.g. ships deployed in major East-West shipping routes are now mainly ships with capacity over 10,000 TEU, Asian near-sea shipping routes are also gradually using Panamax class

ships, resulting in fierce competition and over-supply of shipping spaces. It is hard to maintain profitability at the current freight rate and most shipping companies suffer deficits.

- (5) Market Fluctuations: Due to global trade disputes and the rise of trade protectionism, the 2019 rate of economic growth was the lowest since the financial crisis. According to a prediction by HIS Markit, the U.S. economic growth for 2019 would be 2.3%, lower than the 2.93% of 2018. Economic growth in the Euro Zone continued to slow down due to the controversial no deal Brexit, it is predicted that the economic growth in 2019 would be 1.4%, lower than the 2.0% of 2018. Japan was affected by disastrous typhoons in the second half of 2019, and economic growth for the entire year would be 1.1%, slightly higher than the 0.3% of 2018. Because of continued trade conflicts between the U.S. and China, China's economic growth for 2019 would be 6.2%, down from 6.6% for 2018. Overall, as predicted by HIS Markit, the global economic growth in 2019 was affected by constant global trade disputes, continued slow down of economic growth in emerging markets and weak global demands.

2. Countermeasures

Due to constant global trade disputed, dramatic changes in the markets, weak performance of global economy and over-supply in the shipping market, operating in the shipping market is becoming more and more difficult. In 2019, all our colleagues threw in their efforts to actively study conservation of ship fuel consumption, integrated shipping routes, optimized shipping spaces, and deployed the most suitable ships. We also implemented timely, joint operations and shipping spaces exchanging strategies with major global shipping companies to lower the cost of shipping spaces. As for deployment of shipping routes, we continue to focus on near-sea shipping routes, develop moderate mid to long range shipping routes, to timely expand our scope of operations. In connection with new international laws taking effect, changing crude oil prices and overall deployment of larger ships, our company's response is to charter ships to flexibly adjust our fleet, rapidly adjust our shipping routes, effectively raising market shares, and depending on market situations, adopt periodical cancellations and merging of scheduled voyages to flexibly adjust shipping spaces, to effectively save cost expenditures and greatly lower operation costs.

III. Results of Business Plan Implementation

1. Analysis of the Company's Major Service Areas and the correspondent Markets

The operations of the Company are mainly based on regular routes in full container vessels. The scope of service covers Northeast Asia, China, Southeast Asia, the Middle East, India, Pakistan, the West Coast and the West Coast of South America. The explanation for each of the regions are as follows:

(1) Northeast Asia:

The company has been expanding its presence in regions ranging from Japan, Korea, to other Asian countries for many years, and has maintained close relationships with customers and established prestige through word of mouth, thereby playing an influential role in the market. In order to boost its operating competitiveness and maintain existing service quality and reliable shipping services, the Company expanded shipping space of Japan-Singapore-Malaysia route (NS5 Service) in March to offer additional service to our customer in Northeast Asia region. The Company also adopted strategic cooperation with other shipping companies to boost the space utilization of its services and lower operating cost.

(2) Southeast Asia:

Economic activities in Southeast Asia continue to grow in 2019. Especially Vietnam and Cambodia are the most robust markets among ASEAN countries.

The Company started offering new services through the launch of Taiwan-South China-Philippines route (SES Service) in April to offer additional service to our customer between Taiwan, South China, and Philippines; China-Vietnam-Cambodia (CVK Service) in May to strengthen the direct service between China, Vietnam, and Cambodia and expanded shipping space; China-Korea-Indonesia (CKI Service) to offer the direct service between Korea, China, and Indonesia. Through joint venture and cooperation with other shipping companies, exchange of freight spaces and reduction of operating cost, the Company has provided a denser service network to maintain its competitiveness and market share in the Southeast Asian market.

(3) Middle East, India and Pakistan:

For the purpose of providing better service coverage in the Middle East, India, and Pakistan, the Company launched a new China- Middle East route (MEX Service)

to strengthen the direct service from China to Middle East region. The Company continued to its joint venture and cooperation with major worldwide shipping companies in markets across in Far East-Middle East, India, and Pakistan routes and made flexible adjustments in response to market changes so as to provide more competitive routings and services in 2019.

(4) West South America region:

The Company maintained the direct shipping service from major Asian ports to the west coast of South America. At the same time, the Company enlarges the ship type to correspond with market and maintains flexibility in its space provision by adjusting its vessel deployment in accordance to changes in market demands. The Company also exchanges space with other shipping companies to secure additional service routes to West Coast of South America (WSA Service) and West Coast of South America 3 (WSA3 Service), thereby providing three sailings a week to the customers and ensuring the company's competitive edge for direct shipping service to the South American market.

(5) West America region:

Although impacted by the China-US trade dispute, the US labor market has improved and demands in consumer markets were steady in 2019. The Company continues to enhance its operating performance for its Trans-Pacific route and made flexible adjustments based on the market condition to provide more competitive and advantageous routes under joint venture. In response to market demands, the Company adjusted the South China-West America route (CP1 Service) and Mid China-West America route (CP2 Service) which are under joint venture by Cosco and PIL since September. The Company also exchanged space on South China-West America route (CP3 Service), Vietnam-West America route (CP5 Service), and Mid China-West America route (CEN Service) to increase route products and meet market demands.

2. Future Market Outlook

The growth of economy gradually slowdown in 2019 due to global trading being affected by trade war and weaken growth of economy in emerging market countries. The International Monetary Fund (IMF) estimates that the growth of global economy will take a hit as the impacts of COVID-19 continuous. In response to the challenges of expanding

ship types and fleet from major shipping companies around the world, which would result in the impact of imbalance between supply and demand in cargo shipping market, Wan Hai upholds the concept of "customer first, full participation, environmental protection, sustainable management" and endeavors to conduct prudent and comprehensive planning and assessments of its operations of service routes so as to mitigate the challenges arising from rapid changes in the market. The Company also strictly control and reduce costs to improve operational efficiency and establish a stable and sustainable company brand.

IV. Revenue and Expenditure

1. Operating revenue

The consolidated operating revenue was NT\$72,951,180,000 in 2019, which was a NT\$6,172,500,000 increase from NT\$66,778,670,000 in 2018.

2. Operating expense

The consolidated operating expenses of the Company was NT\$65,721,160,000 in 2018, which was a NT\$3,944,860,000 increase from NT\$61,776,290,000. Main reason was terminal handling charges were affected by the increase in sales volume

V. Profitability Analysis

Consolidated net profit after tax in 2019 was NT\$3,573,700,000, and earnings per share was NT\$1.61.

VI. Research and Development Status

In order to cope with the challenge of ever-changing economic environment and intensified shipping market competitions in the future, the Company will continue monitoring the existing route planning and organizational functions. It endeavors to become a premium enterprise with international visibility and plans to adopt the following approaches:

1. To focus on cultivation of employees with an international perspective and strengthen the ability to integrate and implement organizational management so as to provide customers with the most optimal services.
2. To grasp the opportunity to develop emerging markets and steadily lay out plans for more routes so as to satisfy customers' demands.
3. To strictly control the fuel and relevant transportation cost. To adjust the available container

volumes and fleet plan with flexibility; to promote energy saving and reduce carbon emissions, and install fuel saving devices in ships so as to effectively reduce fuel consumption and emissions and bring energy saving into full play.

4. To conduct discreet and inclusive planning for a variety of operational policies, and demand a high degree of performance, pursuit of glory and teamwork from all employees, thereby creating better sales performance.

Attachment 2-1

Independent Auditors' Report

To the Board of Directors of Wan Hai Lines Ltd.:

Opinion

We have audited the financial statements of Wan Hai Lines Ltd.(“the Company”), which comprise the statement of financial position as of December 31, 2019 and 2018, and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the year ended December 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note(4)(o) “ Revenue” , Note (5)(a) “ Uncertainty associated with the assumptions and estimations for revenue recognition” and Note(6)(v) “Revenue disclosures” of the financial statements.

How the matter was addressed in our audit

The freight revenue is recognized in proportion to the stage of completion of the voyage measured by reference to the proportion of the actual shipping days incurred in balance sheet date. The voyage days is estimated depending on historical experience which involved high uncertainty. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding how the management estimates the voyage days of each route including its method and source; sampling the source data from the system and obtaining the method on how the system compute the voyage days to evaluate the reasonableness of the estimated voyage days of each route from the management.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2020

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial statements of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD.
BALANCE SHEETS
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets		2019.12.31		2018.12.31		Liabilities and Equity		2019.12.31		2018.12.31		
		Amount	%	Amount	%			Amount	%	Amount	%	
Current assets:						Current liabilities:						
1100	Cash and cash equivalents	\$	10,326,321	7	7,834,162	12	2100	Short-term borrowings	\$	-	-	
1110	Current financial assets at fair value through profit or loss		4,125,184	3	2,345,430	4	2126	Current financial liabilities for hedging		534,197	-	
1150	Notes receivable, net		39,456	-	26,618	-	2170	Accounts payable		6,447,879	4	
1170	Accounts receivable, net		674,229	-	1,203,494	2	2200	Other payables		1,341,339	1	
1140	Current contract assets		733,689	-	751,084	1	2230	Current tax liabilities		-	-	
1200	Other receivables, net		815,080	1	1,043,354	2	2280	Current lease liabilities		7,527,026	4	
1330	Inventories, net		1,406,894	1	990,095	1	2320	Current portion of long-term loans		2,563,977	2	
1475	Receivables from agents		2,144,272	1	2,136,118	3	2350	Payables to agents		1,079,343	1	
1479	Other current assets, others		443,825	-	734,238	1	2300	Other current liabilities		201,874	-	
			20,708,950	13	17,064,593	26				19,695,635	12	
Non-current assets:						Non-Current liabilities:						
1510	Non-current financial assets at fair value through profit or loss		-	-	1,127,838	2	2511	Non-current financial liabilities for hedging		2,026,200	1	
1517	Non-current financial assets at fair value through other comprehensive income		3,182,812	2	3,036,010	4	2530	Bonds payable		13,900,000	9	
1550	Investments accounted for using equity method, net		31,711,924	19	29,568,822	44	2540	Long-term borrowings		10,495,861	7	
1600	Property, plant and equipment		17,953,542	11	14,683,088	22	2570	Deferred tax liabilities		2,709,262	2	
1755	Right-of-use assets		85,001,414	53	-	-	2580	Non-current lease liabilities		75,619,329	47	
1760	Investment property, net		1,419,389	1	-	-	2640	Accrued pension liabilities-non current		442,660	-	
1780	Intangible assets		76,285	-	94,240	-	2645	Guarantee deposits received		5,554	-	
1900	Other non-current assets		944,367	1	1,082,271	2				105,198,866	66	
			140,289,733	87	49,592,269	74				124,894,501	78	
						Total liabilities						
						Equity:						
						3100	Common stock		22,182,975	14	22,182,975	33
						3200	Capital surplus		1,271,775	1	1,261,681	2
							Retained earnings:					
						3310	Legal reserve		6,869,483	4	6,757,693	10
						3320	Special reserve		810,700	-	1,127,482	2
						3350	Retained earnings-unappropriated		6,488,930	4	4,065,321	6
									14,169,113	8	11,950,496	18
						Other equity interest:						
						3411	Exchange differences on translation of foreign financial statements		(1,352,809)	(1)	(604,711)	(1)
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		(200,376)	-	(205,989)	-
						3450	Gains (losses) on hedging instruments		33,504	-	-	-
									(1,519,681)	(1)	(810,700)	(1)
									36,104,182	22	34,584,452	52
Total assets		\$	160,998,683	100	66,656,862	100	Total equity		\$	160,998,683	100	
						Total liabilities and equity					66,656,862	100

(English Translation of Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 59,102,119	100	53,934,045	100
5000	Operating costs	55,724,042	94	53,588,321	99
	Gross profit	3,378,077	6	345,724	1
6000	Operating expenses	2,230,329	4	1,956,923	4
	Income from operations	1,147,748	2	(1,611,199)	(3)
	Non-operating income and expenses:				
7010	Other income	308,054	-	347,462	1
7020	Other gains and losses	1,877,565	3	875,984	2
7050	Finance costs	(1,771,749)	(3)	(356,717)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	2,879,313	5	2,414,860	4
	Total non-operating income and expenses	3,293,183	5	3,281,589	6
7900	Profit before tax	4,440,931	7	1,670,390	3
7950	Less: Income tax expenses	867,228	1	552,484	1
	Net Profit	3,573,703	6	1,117,906	2
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit and loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(38,697)	-	(19,381)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	10,060	-	(46,035)	-
8331	Gains (losses) on the remeasurements of defined benefit plans, subsidiaries, associates and joint ventures accounted for using equity method	19,339	-	34,559	-
8336	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income, subsidiaries, associates and joint ventures accounted for using equity method	(4,447)	-	-	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	7,739	-	5,392	-
	Total items that may not be reclassified subsequently to profit and loss	(6,006)	-	(25,465)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(743,226)	(1)	876,341	2
8368	Gains (losses) on hedging instrument	33,504	-	-	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	5,222	-	(794)	-
	Total items that may be reclassified subsequently to profit and loss	(704,500)	(1)	875,547	2
8300	Other comprehensive income (net of tax)	(710,506)	(1)	850,082	2
	Total comprehensive income	\$ 2,863,197	5	1,967,988	4
	Basic earnings per share (New Taiwan Dollars)	\$ 1.61		0.50	
	Diluted earnings per share (New Taiwan Dollars)	\$ 1.61		0.50	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
WAN HAI LINES LTD.

STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Stock		Retained Earnings			Other Equity Items				Total
						Foreign Currency Translation Differences	Unrealized Gains (losses) from financial assets	Unrealized Gains (losses) on Available for sale Financial Assets	Gains (losses) on hedging instruments	
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated	Arising from Foreign Operations, Net of Tax	measured at fair value through other comprehensive income			
Balance at January 1, 2018	\$ 22,182,975	1,261,681	6,503,503	-	5,146,283	(1,480,258)	-	352,776	-	33,966,960
Effects of retrospective application	-	-	-	-	271,383	-	(159,954)	(352,776)	-	(241,347)
Equity at beginning of period after adjustments	22,182,975	1,261,681	6,503,503	-	5,417,666	(1,480,258)	(159,954)	-	-	33,725,613
Net profit	-	-	-	-	1,117,906	-	-	-	-	1,117,906
Other comprehensive income	-	-	-	-	20,570	875,547	(46,035)	-	-	850,082
Total comprehensive income	-	-	-	-	1,138,476	875,547	(46,035)	-	-	1,967,988
Appropriation of retained earnings:										
Legal reserve	-	-	254,190	-	(254,190)	-	-	-	-	-
Special reserve appropriated	-	-	-	1,127,482	(1,127,482)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,109,149)	-	-	-	-	(1,109,149)
Balance at 2018.12.31	22,182,975	1,261,681	6,757,693	1,127,482	4,065,321	(604,711)	(205,989)	-	-	34,584,452
Net profit	-	-	-	-	3,573,703	-	-	-	-	3,573,703
Other comprehensive income	-	-	-	-	(11,619)	(738,004)	5,613	-	33,504	(710,506)
Total comprehensive income (loss)	-	-	-	-	3,562,084	(738,004)	5,613	-	33,504	2,863,197
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	111,790	-	(111,790)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,343,467)	-	-	-	-	(1,343,467)
Reversal of special reserve	-	-	-	(316,782)	316,782	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries reserve	-	10,094	-	-	-	(10,094)	-	-	-	-
Balance at December 31, 2019	\$ 22,182,975	1,271,775	6,869,483	810,700	6,488,930	(1,352,809)	(200,376)	-	33,504	36,104,182

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 4,440,931	1,670,390
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	7,971,701	1,302,119
Amortization expense	54,093	45,755
Net (gain) loss on financial assets at fair value through profit or loss	(365,273)	(64,405)
Interest expense	1,771,749	356,717
Interest revenue	(107,727)	(154,448)
Dividend income	(200,327)	(193,014)
Investment income under the equity method	(2,879,313)	(2,414,860)
Gain on disposal of property, plant and equipment	(1,014,281)	(513,937)
Unrealized foreign exchange (gain) loss	(157,077)	223,091
Others	1,078	585
Total adjustments to reconcile profit (loss)	<u>5,074,623</u>	<u>(1,412,397)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	17,395	(113,755)
Notes receivable	(12,838)	(3,411)
Accounts receivable (including related parties)	529,265	99,385
Other receivables	136,877	(127,006)
Inventories	(416,799)	(9,745)
Receivables from agents	(8,154)	(584,803)
Other current assets	290,413	116,281
Financial assets at fair value through profit or loss, mandatorily measured at fair value	<u>(313,980)</u>	<u>(115,617)</u>
Total changes in operating assets, net	<u>222,179</u>	<u>(738,671)</u>
Changes in operating liabilities, net:		
Accounts payable (including related parties)	517,373	803,695
Other payables	123,733	(169,762)
Payables to agents	370,514	857
Other current liabilities	(426,514)	317,703
Accrued pension liabilities	<u>(113,016)</u>	<u>(61,927)</u>
Total changes in operating liabilities, net	<u>472,090</u>	<u>890,566</u>
Total changes in operating assets and liabilities	<u>694,269</u>	<u>151,895</u>
Total adjustments	<u>5,768,892</u>	<u>(1,260,502)</u>
Cash inflow generated from operations	10,209,823	409,888
Income taxes paid	<u>(107,188)</u>	<u>(239,479)</u>
Net cash provided by operating activities	<u>10,102,635</u>	<u>170,409</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(136,742)	(262,840)
Acquisition of long-term equity investment under equity method	-	(395,315)
Acquisition of property, plant and equipment	(5,170,405)	(3,337,194)
Proceeds from disposal of property, plant and equipment	1,215,291	572,002
Acquisition of intangible assets	(31,007)	(58,636)
Acquisition of investment property	(1,423,384)	-
Other non-current assets	(267,829)	(398,355)
Interest received	114,819	159,689
Dividends received	<u>272,445</u>	<u>254,678</u>
Net cash used in investing activities	<u>(5,426,812)</u>	<u>(3,465,971)</u>
Cash flows from financing activities:		
Proceeds from issuing bonds	8,000,000	-
Repayments of bonds	(1,000,000)	(4,500,000)
Proceeds from long-term loans	8,913,800	11,530,300
Repayment of long-term loans	(9,416,039)	(7,250,438)
Guarantee deposits	4,627	(450)
Cash dividends paid	(1,343,467)	(1,109,149)
Lease repayments- principal portions	(5,604,094)	-
Interest paid	<u>(1,738,491)</u>	<u>(391,337)</u>
Net cash used in financing activities	<u>(2,183,664)</u>	<u>(1,721,074)</u>
Net increase (decrease) in cash and cash equivalents	2,492,159	(5,016,636)
Cash and cash equivalents, beginning of period	7,834,162	12,850,798
Cash and cash equivalents, end of period	<u><u>\$ 10,326,321</u></u>	<u><u>7,834,162</u></u>

Attachment 2-2

Independent Auditors' Report

To the Board of Directors of Wan Hai Lines Ltd.:

Opinion

We have audited the consolidated financial statements of Wan Hai Lines Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2019 and 2018, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note(4)(p) " Revenue" , Note (5)(b) " Uncertainty associated with the assumptions and estimations for revenue recognition" and Note(6)(v) "Revenue disclosures" of the financial statements.

How the matter was addressed in our audit

The freight revenue is recognized in proportion to the stage of completion of the voyage measured by reference to the proportion of the actual shipping days incurred in balance sheet date. The voyage days is estimated depending on historical experience which involved high uncertainty. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding how the management estimates the voyage days of each route including its method and source; sampling the source data from the system and obtaining the method on how the system compute the voyage days to evaluate the reasonableness of the estimated voyage days of each route from the management.

2. Impairment of Property, plant and equipment

Please refer to note(4)(l) “Property, plant and equipment” , note(4)(o) “Impairment—non -financial assets” , note(5)(a) “Impairment of property, plant and equipment, and intangible assets” , and note(6)(i) “Property, plant and equipment” .

How the matter was addressed in our audit

The total amount of the Group’s Property, plant and equipment exceeds half of the total assets, and the vessels constituted a considerable proportion. The risk of impairment of the assets may exist due to the highly changeable industry. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding the cash generating units included in the Group’s impairment test; understanding the impairment indicators in light of the performance of each asset. The indicators include internal and external factors such as the carrying value exceeding its market capitalization, significant adverse changes in the technological, market, economic or legal environment in which the entity operates, evidence of obsolescence or physical damage to the asset.

Other Matter

Wan Hai Lines Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)

March 26, 2020

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets		2019.12.31		2018.12.31		Liabilities and Equity		2019.12.31		2018.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 15,479,460	18	13,418,582	17	2100	Short-term borrowings	\$ 70,000	-	60,000	-
1110	Current financial assets at fair value through profit or loss	4,125,184	5	2,345,430	3	2126	Current financial liabilities for hedging	534,197	1	-	-
1150	Notes receivable, net	39,735	-	29,636	-	2170	Accounts payable	8,124,379	9	7,644,956	10
1170	Accounts receivable, net	2,206,775	3	2,861,696	4	2200	Other payables	2,536,977	3	2,692,144	3
1140	Current contract assets	733,689	1	751,084	1	2230	Current tax liabilities	84,397	-	109,290	-
1200	Other receivables	1,197,291	1	1,382,358	2	2280	Current lease liabilities	382,244	-	-	-
1330	Inventories, net	1,996,453	2	1,341,644	2	2320	Current portion of long-term loans	3,356,533	4	8,288,389	11
1475	Receivables from agents	939,080	1	834,068	1	2350	Payables to agents	12,563	-	10,472	-
1479	Other current assets, others	797,195	1	688,329	1	2300	Other current liabilities	1,620,905	2	2,022,554	3
		27,514,862	32	23,652,827	31			16,722,195	19	20,827,805	27
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss	-	-	1,127,838	1	2511	Non-current financial liabilities for hedging)	2,026,200	2	-	-
1517	Non-current financial assets at fair value through other comprehensive income	3,696,383	4	3,036,010	4	2530	Bonds payable	13,900,000	16	5,900,000	8
1550	Investments accounted for using equity method, net	1,161,390	1	1,141,225	1	2540	Long-term borrowings	12,374,200	14	12,122,591	16
1600	Property, plant and equipment	43,728,724	50	43,419,203	56	2570	Deferred tax liabilities	2,735,115	3	2,010,571	2
1755	Right-of-use assets	5,097,810	6	-	-	2580	Non-current lease liabilities	2,186,345	2	-	-
1760	Investment property, net	1,740,224	2	314,759	1	2640	Accrued pension liabilities-non current	703,424	1	767,936	1
1780	Intangible assets	77,322	-	95,730	-	2645	Guarantee deposits received	608,308	1	591,042	1
1900	Other non-current assets	4,587,537	5	4,249,758	6			34,533,592	39	21,392,140	28
		60,089,390	68	53,384,523	69			51,255,787	58	42,219,945	55
						Total liabilities					
						Equity attributable to owners of parent:					
					3100	Common stock		22,182,975	26	22,182,975	29
					3200	Capital surplus		1,271,775	2	1,261,681	2
						Retained earnings:					
					3310	Legal reserve		6,869,483	8	6,757,693	9
					3320	Special reserve		810,700	1	1,127,482	1
					3350	Retained earnings-unappropriated		6,488,930	7	4,065,321	5
								14,169,113	16	11,950,496	15
						Other equity interest:					
					3411	Exchange differences on translation of foreign financial statements		(1,352,809)	(2)	(604,711)	(1)
					3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		(200,376)	-	(205,989)	-
					3450	Gains (losses) on hedging instruments		33,504	-	-	-
								(1,519,681)	(2)	(810,700)	(1)
						Total equity attributable to owners of parent:		36,104,182	42	34,584,452	45
					36XX	Non-controlling interests		244,283	-	232,953	-
						Total equity		36,348,465	42	34,817,405	45
Total assets		\$ 87,604,252	100	77,037,350	100	Total liabilities and equity		\$ 87,604,252	100	77,037,350	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 72,951,183	100	66,778,676	100
5000	Operating costs	65,721,165	90	61,776,300	92
	Gross profit	7,230,018	10	5,002,376	8
6000	Operating expenses	4,378,732	6	4,013,375	6
	Income from operations	2,851,286	4	989,001	2
	Non-operating income and expenses:				
7010	Other income	397,179	1	441,013	1
7020	Other gains and losses	1,831,735	2	772,064	1
7050	Finance costs	(692,460)	(1)	(565,345)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	167,453	-	140,574	-
	Total non-operating income and expenses	1,703,907	2	788,306	1
7900	Profit before tax	4,555,193	6	1,777,307	3
7950	Less: Income tax expenses	967,487	1	640,069	1
	Net Profit	3,587,706	5	1,137,238	2
	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit and loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(19,358)	-	15,178	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	5,613	-	(46,035)	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	7,739	-	5,392	-
	Total items that may not be reclassified subsequently to profit and loss	(6,006)	-	(25,465)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(738,820)	(1)	876,215	1
8368	Gains (losses) on hedging instrument	33,504	-	-	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	5,222	-	(794)	-
	Total items that may be reclassified subsequently to profit and loss	(700,094)	(1)	875,421	1
	Other comprehensive income (net of tax)	(706,100)	(1)	849,956	1
8500	Total comprehensive income	\$ 2,881,606	4	1,987,194	3
	Profit (loss), attributable to:				
8610	Owners of the parent company	\$ 3,573,703	5	1,117,906	2
8620	Non-controlling interests	14,003	-	19,332	-
		\$ 3,587,706	5	1,137,238	2
	Comprehensive income attributable to:				
8710	Owners of the parent company	\$ 2,863,197	4	1,967,988	3
8720	Non-controlling interests	18,409	-	19,206	-
		\$ 2,881,606	4	1,987,194	3
9750	Basic earnings per share (New Taiwan Dollars)	\$ 1.61		0.50	
9850	Diluted earnings per share (New Taiwan Dollars)	\$ 1.61		0.50	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
						Other Equity Items						
	Stock	Retained Earnings				Foreign Currency Translation Differences Arising from Foreign Operations, Net of Tax	Unrealized Gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized Gains (losses) on Available for sale Financial Assets	Gains (losses) on hedging instruments	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated							
Balance at January 1, 2018	\$ 22,182,975	1,261,681	6,503,503	-	5,146,283	(1,480,258)	-	352,776	-	33,966,960	212,657	34,179,617
Effects of retrospective application	-	-	-	-	271,383	-	(159,954)	(352,776)	-	(241,347)	-	(241,347)
Equity at beginning of period after adjustments	22,182,975	1,261,681	6,503,503	-	5,417,666	(1,480,258)	(159,954)	-	-	33,725,613	212,657	33,938,270
Profit	-	-	-	-	1,117,906	-	-	-	-	1,117,906	19,332	1,137,238
Other comprehensive income (loss)	-	-	-	-	20,570	875,547	(46,035)	-	-	850,082	(126)	849,956
Total comprehensive income (loss)	-	-	-	-	1,138,476	875,547	(46,035)	-	-	1,967,988	19,206	1,987,194
Appropriation of retained earnings:												
Legal reserve	-	-	254,190	-	(254,190)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,127,482	(1,127,482)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,109,149)	-	-	-	-	(1,109,149)	-	(1,109,149)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,090	1,090
Balance at 2018.12.31	22,182,975	1,261,681	6,757,693	1,127,482	4,065,321	(604,711)	(205,989)	-	-	34,584,452	232,953	34,817,405
Net Profit	-	-	-	-	3,573,703	-	-	-	-	3,573,703	14,003	3,587,706
Other comprehensive income (loss)	-	-	-	-	(11,619)	(738,004)	5,613	-	33,504	(710,506)	4,406	(706,100)
Total comprehensive income (loss)	-	-	-	-	3,562,084	(738,004)	5,613	-	33,504	2,863,197	18,409	2,881,606
Appropriation of retained earnings:												
Legal reserve	-	-	111,790	-	(111,790)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,343,467)	-	-	-	-	(1,343,467)	-	(1,343,467)
Reversal of special reserve	-	-	-	(316,782)	316,782	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,094	-	-	-	(10,094)	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,079)	(7,079)
Balance at December 31, 2019	\$ 22,182,975	1,271,775	6,869,483	810,700	6,488,930	(1,352,809)	(200,376)	-	33,504	36,104,182	244,283	36,348,465

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 4,555,193	1,777,307
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,283,403	4,124,116
Amortization expense	55,031	46,437
Net (gain) loss on financial assets at fair value through profit or loss	(365,273)	(64,405)
Interest expense	692,460	565,345
Interest revenue	(186,199)	(247,999)
Dividend income	(210,980)	(193,014)
Investment income under the equity method	(167,453)	(140,574)
Gain on disposal of property, plant and equipment	(1,119,393)	(512,526)
Property, plant and equipment transferred to expenses	19,016	-
Unrealized foreign exchange (gain) loss	(157,316)	223,091
Others	55	585
Total adjustments to reconcile profit (loss)	3,843,351	3,801,056
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	17,395	(113,435)
Notes receivable	(10,099)	(4,206)
Accounts receivable (including related parties)	672,724	(558,082)
Other receivables	87,120	(245,556)
Inventories	(654,809)	(22,597)
Receivables from agents	(105,012)	(137,120)
Other current assets	(103,250)	(106,937)
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(313,980)	(115,617)
Total changes in operating assets, net	(409,911)	(1,303,550)
Changes in operating liabilities, net:		
Accounts payable (including related parties)	440,452	754,130
Other payables	252,181	(210,121)
Payables to agents	2,090	6,920
Other current liabilities	(387,438)	532,740
Accrued pension liabilities	(83,869)	(39,548)
Total changes in operating liabilities, net	223,416	1,044,121
Total changes in operating assets and liabilities	(186,495)	(259,429)
Total adjustments	3,656,856	3,541,627
Cash inflow generated from operations	8,212,049	5,318,934
Income taxes paid	(191,023)	(314,206)
Net cash provided by operating activities	8,021,026	5,004,728
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(654,760)	(262,840)
Acquisition of long-term equity investment under equity method	(8,817)	(395,362)
Net cash flow from acquisition of subsidiaries	29,883	-
Acquisition of property, plant and equipment	(5,628,755)	(4,185,886)
Proceeds from disposal of property, plant and equipment	1,466,041	555,867
Acquisition of intangible assets	(31,401)	(59,667)
Acquisition of investment property	(1,442,746)	(5,267)
Other non-current assets	(778,618)	(3,246,657)
Interest received	194,767	252,784
Dividends received	332,840	312,370
Net cash used in investing activities	(6,521,566)	(7,034,658)
Cash flows from financing activities:		
Increase in short-term loans	10,000	-
Proceeds from issuing bonds	8,000,000	-
Repayments of bonds	(1,000,000)	(4,500,000)
Proceeds from long-term loans	9,222,250	11,530,300
Repayment of long-term loans	(12,667,734)	(9,298,111)
Guarantee deposits	2,267	48,686
Cash dividends paid	(1,343,467)	(1,109,149)
Lease repayments- principal portions	(827,245)	-
Interest paid	(682,044)	(596,047)
Change in non-controlling interests	(7,079)	1,090
Net cash used in financing activities	706,948	(3,923,231)
Foreign exchange rate effects	(145,530)	126,303
Net increase (decrease) in cash and cash equivalents	2,060,878	(5,826,858)
Cash and cash equivalents, beginning of period	13,418,582	19,245,440
Cash and cash equivalents, end of period	\$ 15,479,460	13,418,582

Audit Committee's Review Report

The Board of Directors has prepared the Company's financial statements, business report, and earnings distribution for the year of 2019. Of which, the Company's financial statements for 2019 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors- an audit report with unqualified opinion was issued. Pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2020

WAN HAI LINES LTD.

Chairman of the Audit Committee: RUNG-NIAN LAI

March 26, 2020

Audit Committee's Review Report (Consolidated)

The Board of Directors has prepared the Company's consolidated financial statements and consolidated business report for year of 2019. Of which, the Company's consolidated financial statements for 2019 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors- an audit report with unqualified opinion was issued. Pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2020

WAN HAI LINES LTD.

Chairman of the Audit Committee: RUNG-NIAN LAI

March 26, 2020

Comparison Table of Amendments to the Ethical Corporate Management Best Practice Principles of Wan Hai Lines Ltd. and its Subsidiaries

After amendment	Before amendment	Reason for amendment
Article 5: The Company shall stipulate policies based on integrity with a business philosophy of probity, transparency, and responsibility at their core. <u>Obtaining approval from the board of directors</u>, the Company shall also establish good corporate governance and risk control mechanisms to create a sustainable management environment.	Article 5: The Company shall stipulate policies based on integrity with a business philosophy of probity, transparency, and responsibility at their core. The Company shall also establish good corporate governance and risk control mechanisms to create a sustainable management environment.	Amended in accordance with Article 5 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
Article 6: The Company shall <u>establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which is at a higher risk of being involved in unethical conduct.</u> Accordingly the company stipulate various ethical corporate management operating procedures and behavioral guidelines in accordance with actual needs other than the Principles. These procedures and guidelines shall clearly and thoroughly define specific ethical corporate management practices and plans to prevent unethical conducts. The contents shall include operating procedures, behavioral guidelines, training, etc. The contents shall also comply with relevant laws and regulations of locations where domestic business groups are conducting business. <u>The company shall also review the adequacy and effectiveness of preventive measures on a regular basis.</u> The Company must communicate with employees and other stakeholders in the process of formulating preventive measures.	Article 6: The Company shall <u>also</u> stipulate various ethical corporate management operating procedures and behavioral guidelines in accordance with actual needs other than the Principles. These procedures and guidelines shall clearly and thoroughly define specific ethical corporate management practices and plans to prevent unethical conducts. The contents shall include operating procedures, behavioral guidelines, training, etc. The contents shall also comply with relevant laws and regulations of locations where domestic business groups are conducting business. The Company must communicate with employees and other stakeholders in the process of formulating preventive measures.	Amended in accordance with Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
Article 7: <u>The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company and the business groups shall clearly specify ethical corporate management policies and the commitment by the Board of Directors and <u>senior</u> management on rigorous and thorough implementation of such policies in their policies and external documents <u>and on company website</u>, and shall carry out the policies in internal management and in commercial activities. The company shall compile documented information on the ethical management policy,	Article 7: The Company and the business groups shall clearly specify ethical corporate management policies and the commitment by the Board of Directors and <u>the</u> management on rigorous and thorough implementation of such policies in their policies and external documents, and shall carry out the policies in internal management and in commercial activities.	Amended in accordance with Article 8 and Article 17 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

After amendment	Before amendment	Reason for amendment
statement, commitment and implementation mentioned in Articles 1 and 2 hereof, and retain said information properly.		
Article 16: Company staff shall exercise the due care of a good administrator to supervise and urge the Company to refrain from dishonest behavior. Company staff shall review the implementation results at any time and make continuous improvements to ensure the implementation of the ethical corporate management policy. The Company has appointed the Department of Management to stipulate and supervise the enforcement of ethical corporate management and formulate preventive measures to improve the management of ethical corporate management. The Department of Management is also responsible for assisting the Board of Directors and management in checking and evaluating whether the preventive measures established by the ethical corporate management are functioning effectively and <u>reviewing the adequacy and effectiveness of preventive measures</u>, and for drafting reports on the evaluation of the compliance level of relevant business procedures <u>on a regular basis (at least once a year)</u>.	Article 16: Company staff shall exercise the due care of a good administrator to supervise and urge the Company to refrain from dishonest behavior. Company staff shall review the implementation results at any time and make continuous improvements to ensure the implementation of the ethical corporate management policy. The Company has appointed the Department of Management to stipulate and supervise the enforcement of ethical corporate management and formulate preventive measures to improve the management of ethical corporate management. The Department of Management is also responsible for assisting the Board of Directors and management in checking and evaluating whether the preventive measures established by the ethical corporate management are functioning effectively, and for drafting reports on the evaluation of the compliance level of relevant business procedures.	Amended in accordance with Article 7 and Article 17 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
Article 18: Company staff, substantial controllers and other participating stakeholders, and stakeholders attending or present at the board meetings shall abide by the ethical corporate management operating procedures and behavioral guidelines of the Company and proactively explain whether there is a potential conflict of interest with the Company to allow the Company to identify, monitor, and manage the risk of unethical conducts caused by the conflicts of interest. When <u>any agenda item</u> at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at the board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. Directors shall practice self-discipline and must not support one another in improper dealing.	Article 18: Company staff, substantial controllers and other participating stakeholders, and stakeholders attending or present at the board meetings shall abide by the ethical corporate management operating procedures and behavioral guidelines of the Company and proactively explain whether there is a potential conflict of interest with the Company to allow the Company to identify, monitor, and manage the risk of unethical conducts caused by the conflicts of interest. When <u>a proposal</u> at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors</u>, managers, and other stakeholders attending or present at the board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. Directors shall practice self-discipline and must not support one another in improper dealing.	Deleted the regulations of supervisors and amended in accordance with Paragraph 1, Article 16 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

After amendment	Before amendment	Reason for amendment
The Company's personnel shall not take advantage of their positions and influence in the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person. <u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to the aforementioned agenda item, such director shall be deemed to be an interested party with respect to that agenda item.</u>	The Company's personnel shall not take advantage of their positions and influence in the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.	
Article 19: The Company shall comply with the principles of ethical corporate management to establish an effective accounting system and internal control system, and shall not have falsified statements or retained secret accounts. The Company shall also review the systems at any time to ensure that the design and implementation of the system continue to be effective. The internal audit unit of the Company shall <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc. and periodically examine accordingly the compliance with the preventive measures</u> and prepare audit reports and submit the same to the Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. <u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in audit report to be submitted to the board of directors.</u>	Article 19: The Company shall comply with the principles of ethical corporate management to establish an effective accounting system and internal control system, and shall not have falsified statements or retained secret accounts. The Company shall also review the systems at any time to ensure that the design and implementation of the system continue to be effective. The internal audit unit of the Company shall periodically examine <u>the Company's compliance with the foregoing systems</u> and prepare audit reports and submit the same to the Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	Amended in accordance with Article 20 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
Article 21: The Company's independent reporting mailbox, comment@wanhai.com, is available for internal and external individuals of the Company. The Company shall process the identity of the whistle-blower and the content of the reported cases in a confidential manner when dealing with whistle-blowing incidents and protect the whistle-blower from improper or unfair treatment because of the whistle-blowing, <u>and an undertaking regarding anonymous reporting.</u> The acceptance, investigation process, investigation results, and creation and preservation of the relevant documents of the reported case shall be filed by the dedicated unit in accordance with the whistle-blowing system	Article 21: The Company's independent reporting mailbox, comment@wanhai.com, is available for internal and external individuals of the Company. The Company shall process the identity of the whistle-blower and the content of the reported cases in a confidential manner when dealing with whistle-blowing incidents and protect the whistle-blower from improper or unfair treatment because of the whistle-blowing. The acceptance, investigation process, investigation results, and creation and preservation of the relevant documents of the reported case shall be filed by the dedicated unit in accordance with the whistle-blowing system	Amended in accordance with Article 23 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

After amendment	Before amendment	Reason for amendment
for unlawful and unethical practices (including corruption). The matter shall be escalated to an independent director if the reported matter involves directors and officers, and a designated person must be appointed for the investigation. A report shall be drafted and the independent director immediately shall be notified in written form if material violations or significant damage to the Company has been discovered upon investigation. <u>The company shall report to the competent authority or referred to the judicial authority where necessary.</u>	for unlawful and unethical practices (including corruption). The matter shall be escalated to an independent director if the reported matter involves directors and officers, and a designated person must be appointed for the investigation. A report shall be drafted and the independent director immediately shall be notified in written form if material violations or significant damage to the Company has been discovered upon investigation.	
Article 26: The principles were enacted on December 19, 2018. The 1st amendment was made on 26 March 2020.	Article 26: The principles were enacted on December 19, 2018	Update the date of the amendment.

Comparison Table of Amendments to the Ethical Corporate Management Procedures and Conduct Guidelines for Wan Hai Lines Ltd. and its Subsidiaries

After amendment	Before amendment	Reason for amendment
Article 5: The Company appoints the Department of Management as the dedicated unit (hereinafter referred to as the "dedicated unit") <u>and deploys sufficient resources and competent personnel</u>, to handle amendment, implementation, interpretation, and consultation regarding the Operating Procedures and Code of Conduct Guidelines. The dedicated unit shall also log the report content into file records and supervise implementation. Its duties mainly include the following items and it shall make regular report to the Board meeting <u>(at least once a year)</u>: I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations. II. <u>Refer to prevailing domestic and foreign standards or guidelines and analyze and assess on a regular basis the risk of involvement in unethical conduct within the business scope.</u> Accordingly to set proposals that prevent dishonest behavior and set work-related Operating Procedures and Code of Conduct Guidelines within each proposal. III. Plan internal organization, structure and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct. IV. Promote and coordinate awareness and educational activities with respect to ethic policy. V. Develop a whistle-blowing system and ensure effective implementation. VI. Assist the board and management team in auditing, and assessing whether preventive measures for implementing ethical management are operating effectively, and preparing report on regular assessment of compliance with ethical management in operating procedures. VII. <u>Compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.</u>	Article 5: The Company appoints the Department of Management as the dedicated unit (hereinafter referred to as the "dedicated unit") to handle amendment, implementation, interpretation, and consultation regarding the Operating Procedures and Code of Conduct Guidelines. The dedicated unit shall also log the report content into file records and supervise implementation. Its duties mainly include the following items and it shall make regular report to the Board meeting: I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations. II. Set proposals that prevent dishonest behavior and set work-related Operating Procedures and Code of Conduct Guidelines within each proposal. III. Plan internal organization, structure and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct. IV. Promote and coordinate awareness and educational activities with respect to ethic policy. V. Develop a whistle-blowing system and ensure effective implementation. VI. Assist the board and management team in auditing, and assessing whether preventive measures for implementing ethical management are operating effectively, and preparing report on regular assessment of compliance with ethical management in operating procedures.	Amended in accordance with Article 7 and 17 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

After amendment	Before amendment	Reason for amendment
Article 11: When <u>any agenda item</u> at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, or other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or vote on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. Directors shall maintain discipline among one another and not inappropriately support one another. <u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to the aforementioned agenda item, such director shall be deemed to be an interested party with respect to that agenda item.</u> If the Company's personnel discover that they themselves or parties they represent have a conflict of interest while implementing company business, or if they themselves, their spouse, parents, offspring, or other stakeholders obtain improper interests, the situation shall be reported to their direct supervisors and the Company's dedicated unit. Direct supervisors shall provide appropriate guidance. Personnel of the Company shall not use company resources on commercial activities outside of the Company, and shall not participate in commercial activities outside of the Company that may affect their work performance.	Article 11: When <u>a proposal</u> at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors</u>, managers, or other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or vote on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. Directors shall maintain discipline among one another and not inappropriately support one another. If the Company's personnel discover that they themselves or parties they represent have a conflict of interest while implementing company business, or if they themselves, their spouse, parents, offspring, or other stakeholders obtain improper interests, the situation shall be reported to their direct supervisors and the Company's dedicated unit. Direct supervisors shall provide appropriate guidance. Personnel of the Company shall not use company resources on commercial activities outside of the Company, and shall not participate in commercial activities outside of the Company that may affect their work performance.	Amended in accordance with Paragraph 1 of Article 16 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article 16: <u>The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company shall disclose its honest management policy in internal regulations, annual reports, on the Company's website, or via other announcement methods. The honest management policy shall be announced at an appropriate time at product launches, investor conferences, and other public events so that	Article 16: The Company shall disclose its honest management policy in internal regulations, annual reports, on the Company's website, or via other announcement methods. The honest management policy shall be announced at an appropriate time at product launches, investor conferences, and other public events so that	Amended in accordance with Article 8 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

After amendment	Before amendment	Reason for amendment
suppliers, customers, and other business related organizations and personnel can clearly understand the Company's honest management concept and specifications.	suppliers, customers, and other business related organizations and personnel can clearly understand the Company's honest management concept and specifications.	
Article 21: The Company encourages internal and external personnel to report unethical conduct or misconduct. False reports or malicious allegations made by internal personnel will be disciplined based on the conditions and in accordance with Company management rules. The Company sets up an internal independent mailbox: comment@wanhai.com, on the Company website and internal website for use by internal and external personnel of the Company. The Company has set up a reporting mailbox and hotline on the Company website and internal website, which can be used by internal or external personnel for reporting violation. The reporting personnel shall provide the following information at a minimum: I. The name, ID number, address, phone number, and email of the informant. II. The name or other information that can identify the identity of the violator. III. Specific evidence that can be used for investigation. <u>The company may not refuse reports of offenses on grounds that the whistle-blowers fail to provide personal information or contact information mentioned in Paragraph I hereof.</u> Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report is confidential. The Company also promises to protect the reporter from improper and unfair treatment because of the reported violation. The Company's dedicated unit <u>shall</u> handles the report in the following procedures: I. For reporting that is involved with regular employees, the head of the department shall be notified. For reporting that is involved with directors or managers, the independent directors shall be notified. II. The Company's dedicated unit and its supervisors or personnel of the preceding paragraph shall, as soon as possible after receiving the report, ascertain the relevant facts and, if necessary, receive assistance from other relevant departments. III. If the person being reported has indeed violated relevant regulations or the Company's honest management policy rules, the person will be asked to immediately cease his/her improper	Article 21: The Company encourages internal and external personnel to report unethical conduct or misconduct. False reports or malicious allegations made by internal personnel will be disciplined based on the conditions and in accordance with Company management rules. The Company sets up an internal independent mailbox: comment@wanhai.com, on the Company website and internal website for use by internal and external personnel of the Company. The Company has set up a reporting mailbox and hotline on the Company website and internal website, which can be used by internal or external personnel for reporting violation. The reporting personnel shall provide the following information at a minimum: I. The name, ID number, address, phone number, and email of the informant. II. The name or other information that can identify the identity of the violator. III. Specific evidence that can be used for investigation. Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report is confidential. The Company also promises to protect the reporter from improper and unfair treatment because of the reported violation. The Company's dedicated unit handles the report in the following procedures: I. For reporting that is involved with regular employees, the head of the department shall be notified. For reporting that is involved with directors or managers, the independent directors shall be notified. II. The Company's dedicated unit and its supervisors or personnel of the preceding paragraph shall, as soon as possible after receiving the report, ascertain the relevant facts and, if necessary, receive assistance from other relevant departments. III. If the person being reported has indeed violated relevant regulations or the Company's honest management policy rules, the person will be asked to immediately cease his/her improper	Amended in accordance with Article 23 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

After amendment	Before amendment	Reason for amendment
behavior and be appropriately handled. <u>Where necessary, the company reported to the competent authority or referred to the judicial authority and requested adequate remedies</u> through legal procedures to maintain the Company's reputation and rights and interests. IV. The Company may provide the respondent an opportunity to make a statement or appeal before it makes a decision on disciplinary action. V. Written documentation from the reporting, investigation processes, and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit. Written documentation from the reporting, investigation process and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit. VI. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures, and propose improvement measures to ensure that the same behavior is not repeated. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board.	behavior and be appropriately handled. When needed, necessary remedies shall be requested through legal procedures to maintain the Company's reputation and rights and interests. IV. The Company may provide the respondent an opportunity to make a statement or appeal before it makes a decision on disciplinary action. V. Written documentation from the reporting, investigation processes, and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit. Written documentation from the reporting, investigation process and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit. VI. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures, and propose improvement measures to ensure that the same behavior is not repeated. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board.	
Article 25: The Procedures and Guidelines of Conduct were established on December 19, 2018. The 1st amendment was made on 26 March 2020.	Article 25: The Procedures and Guidelines of Conduct were established on December 19, 2018.	Update the date of the amendment.

Attachment 6

The Candidates List for Directors (Including Independent Directors), 21st Board of Directors

Title	Name	Position held in other company	Major academic qualifications	Notes
Director	Jiufu Garden Co., Ltd.	None	Not Applicable	Extend to propose Representative: Po-Ting Chen
Director	TAILI CORPORATION	Current Position: · Director, WAN HAI LINES LTD. Previous Position: · Supervisor, EDISON OPTO CORPORATION	Not Applicable	Extend to propose Representative: Randy Chen
Director	CHEN-YUNG FOUNDATION	Current Position: · Director, WAN HAI LINES LTD.	Not Applicable	Extend to propose Representative: Chih-Chao Chen
Director	SUN SHINE CONSTRUCTION CO., LTD.	Current Position: · Director, WAN HAI LINES LTD	Not Applicable	Extend to propose Representative: Chiu-Ling Wu
Independent Director	RUNG-NIAN LAI	Current Position: · Independent Director, WAN HAI LINES LTD. · Convener / Member, AUDIT COMMITTEE OF WAN HAI LINES LTD. · Convener / Member, COMPENSATION COMMITTEE OF WAN HAI LINES LTD. · Professor, COLLEGE OF CHINESE MEDICINE, CHINA MEDICAL UNIVERSITY · Vice Superintendent, CHINA MEDICAL UNIVERSITY HOSPITAL FOR INTEGRATED MEDICINE, CHINA MEDICAL · Attending Physician, CHINA MEDICAL UNIVERSITY HOSPITAL FOR INTEGRATED MEDICINE, INTEGRATION OF TRADITIONAL CHINESE-WESTERN MEDICINE · Member, NATIONAL HEALTH INSURANCE DISPUTE MEDIATION COMMITTEE Previous Position: · Executive Director, TAIPEI CHINESE MEDICAL ASSOCIATION · Member, INTELLECTUAL PROPERTY OFFICE · Assistant professor, INSTITUTE OF TRADITIONAL MEDICINE, SCHOOL OF MEDICINE, NATIONAL YANG-MING UNIVERSITY. · Director, DIVISION OF CHINESE MEDICINE FOR WOMEN, TAIPEI CITY HOSPITAL. · Director, YANGMING BRANCH, TAIPEI CITY HOSPITAL CHINESE MEDICINE	Ph.D., OCCUPATIONAL MEDICINE, NATIONAL TAIWAN UNIVERSITY	

Title	Name	Position held in other company	Major academic qualifications	Notes
Independent Director	Stephanie Lin	Current Position: - Independent Director, WAN HAI LINES LTD. - Member, AUDIT COMMITTEE OF WAN HAI LINES LTD. - Member, COMPENSATION COMMITTEE OF WAN HAI LINES LTD. Previous Position: - Tax Manager of PRICEWATERHOUSE COOPERS LLP - Tax Manager of FOX GROUP	MASTER OF BUSINESS ADMINISTRATION, CALIFORNIA STATE UNIVERSITY -FULLERTON	
Independent Director	Yi-Sheng Tseng	Current Position: - Managing Attorney, MINGFOREVER LAW FIRM Previous Position: - Judge, TAIWAN TAIPEI DISTRICT COURT - Prosecutor, TAIWAN TAIPEI DISTRICT PROSECUTORS OFFICE	MASTER OF LAWS, TUNG HAI UNIVERSITY	

Attachment 7

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

Name	Current Position
At the time the juristic person director Jiufu Garden Co., Ltd. was nominated, it noted in advance that it would appoint Mr. Po-Ting Chen, to represent such company and exercise the duties of the director for the duration of the original term upon being elected. Mr. Po-Ting Chen is concurrently serving as:	WAN HAI LINES (U.A.E.) L.L.C. 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 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:	BAO SHENG SHIPPING AGENCY CO. LTD. CHAIRMAN
	WAN HANG TOURISM (SHANGHAI) CO., LTD. DIRECTOR

Attachment 8

Comparison Table: Amendments to Memorandum of Association

Clause after amendment	Clause before amendment	Reason for amendment
Article 2: The scope of business of the Company shall be as follows: 1. <u>G301011 Ship Transportation</u> 2. <u>G401011 Shipping Agency Services</u> 3. <u>F199990 Other Wholesale Trade</u> 4. <u>F299990 Retail Sale of Other Retail Trade</u> 5. <u>F114060 Wholesale of Ship Machinery and Parts</u> 6. <u>F214060 Retail Sale of Ship Machinery and Parts</u> 7. <u>G404011 Container Distributing Center Business</u> 8. <u>G403010 Ship Rental and Leasing</u> 9. <u>G405010 Container Rental and Leasing</u> 10. <u>G406061 Ship Stevedore Operator</u> 11. <u>ZZ99999</u> <u>All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u>	Article 2: The scope of business of the Company shall be as follows: 1. Ship Transportation; 2. Shipping Agency Service; 3. Purchasing and Selling of Vessels and Containers; 4. Container Distributing Center Business; 5. Leasing of Vessels and Containers.	Our company increased categories of business conducted by us to meet our business demands and the categories of business conducted by us are in compliance with the "Category Code" referred to in Article 18 of the Company Act.
Article 11-1 Any surplus earnings after the Company's total annual accounts have been calculated, after tax, and compensation for accumulated losses, <u>the net profit after tax shall be listed as the annual retained earnings</u>, are then carried to the 10 percent 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 percent 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...	Article 11-1 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 percent 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 percent 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...	Amended in compliance with a letter from the Ministry of Economic Affairs dated January 9, 2020 and with serial number Shang Zi 10802432410
Article 14: This Memorandum of Association was created on 6 January 1965. The 39th Amendment was made on 22 June 2017 <u>The 40th Amendment was made on 23 June 2020</u>	Article 14: This Memorandum of Association was created on 6 January 1965. The 39th Amendment was made on 22 June 2017	The date of amendment was revised.

Comparison Table of Amendments to the Rules and Procedures of Shareholders Meeting by WAN HAI LINES LTD.

After amendment	Before amendment	Reason for Amendment
Article 3: Unless otherwise specified by law, the Company's shareholders meetings are convened by the board of directors. When a general meeting is convened, a meeting agenda shall be provided, and notification shall be sent to each shareholder 30 days prior to the general meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 30 days prior to the general meeting. When an extraordinary meeting is convened, notification shall be sent to each shareholder 15 days prior to the extraordinary meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 15 days prior to the general meeting. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any items contained in Article 185 Paragraph I of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. <u>If the reason for convening a shareholders meeting is specified as for full re-election of directors and if the dates of taking office are specified, the dates may not be altered by ad hoc motions or other means in the same meeting.</u> A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general meeting. Such proposals, however, are limited to one item only,	Article 3: Unless otherwise specified by law, the Company's shareholders meetings are convened by the board of directors. When a general meeting is convened, a meeting agenda shall be provided, and notification shall be sent to each shareholder 30 days prior to the general meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 30 days prior to the general meeting. When an extraordinary meeting is convened, notification shall be sent to each shareholder 15 days prior to the extraordinary meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 15 days prior to the general meeting. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any items contained in Article 185 Paragraph I of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.	1. Amended section 5 in compliance with a letter from the Ministry of Economic Affairs dated August 6, 2018 and with serial number Shang Zi 10702417500 2. Amended section 6 to 8 in accordance with Article 172-1 of the Company Act.

After amendment	Before amendment	Reason for Amendment
and no proposal containing more than one item will be included in a meeting agenda. <u>However if the shareholder's proposal is to urge the company to enhance public interests or to fulfill the company's social responsibilities, the Board of Directors shall still include it in the agenda.</u> Additionally, unless any of Article 172-1 Paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a general meeting. <u>Prior to the book closure date before convening a regular shareholders meeting, our company shall publicly announce that it will receive shareholders' proposals, whether in writing or by electronic means, and the location and time period for their submission;</u> the period for submission of shareholder proposals may not be less than 10 days. The number of words of a proposal to be submitted by a shareholder shall be <u>limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda.</u> The shareholder making the proposal shall be present in person or by proxy at the general meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	and no proposal containing more than one item will be included in a meeting agenda. Additionally, unless any of Article 172-1 Paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a general meeting. Prior to the book closure date before a general meeting is convened, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words. The shareholder making the proposal shall be present in person or by proxy at the general meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	
Article 5: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The time to start the meeting shall not earlier than 9 a.m. or later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u>	Article 5: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The time to start the meeting shall not earlier than 9 a.m. or later than 3 p.m.	Amended in accordance with references of the Competent Authority
Article 6: <u>The Company shall state the time and location for registration, and other matters requiring attention in the notice of the shareholders meeting. The time for registration by shareholders shall be at least 30 minutes before the meeting. The place for registration shall be clearly marked, and the registration shall be handled by sufficient and competent persons. Shareholders in person or their proxies shall attend the shareholders meeting either by showing their attendance certificates, attendance reporting cards or other attendance documents.</u> <u>The company may not arbitrarily require additional documents for shareholders to attend the meeting.</u>	Article 6: The company will provide an attendance log to record the shareholders or proxies of shareholders (collectively, "shareholders") attendance; alternatively, attending shareholders may present their attendance cards to signify their presence.	Amended in accordance with references of the Competent Authority

After amendment	Before amendment	Reason for Amendment
<u>Shareholders soliciting proxy forms shall also bring their I.D. cards for verification</u> The company will provide an attendance log to record the shareholders attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The Company will provide the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials to the attending shareholders. For elections of directors, ballots will be distributed as well. Governments or corporations acting as shareholders are not limited to one attending person. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	The Company will provide the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials to the attending shareholders. For elections of directors, ballots will be distributed as well. <u>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance; those acting as proxies shall bring their identification cards for verification.</u> Governments or corporations acting as shareholders are not limited to one attending person. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	
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 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 directors shall select from among themselves one person to perform the Chairman's duties. For shareholders' meetings convened by the board of directors, the number of participating directors who attend shall exceed one half. <u>If a director sits in as the chair, the director must be someone who has held the post for at least six months and is knowledgeable of the company's financial and business situations. The same holds true if the chair is a representative of a corporate director.</u> <u>Shareholders meetings convened by the directors must be attended by a majority of directors and at least one representative of the various functional committees and their attendance shall be recorded in the minutes of the meetings.</u> 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 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 <u>there is no Vice Chairman or</u> the Vice Chairman is unable to perform his or her duties due to leave of absence or other reason, the Chairman may appoint a <u>managing</u> director to act on his behalf. If no one is appointed, <u>the managing directors or</u> the directors shall select from among themselves one person to perform the Chairman's duties. For shareholders' meetings convened by the board of directors, the number of participating directors who attend shall 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.	1. Amended section 1 in accordance with the Company 2. Amended and added section 2 in accordance with references of the Competent Authority

After amendment	Before amendment	Reason for Amendment
Article 8: <u>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures, and kept for at least a year.</u> 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 8: <u>The Company's shareholders' meetings must be recorded in video or audio, and kept for at least a year.</u> 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.	Amended in accordance with references of the Competent Authority
Article 10: If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. <u>Relevant proposals (including ad hoc motions and amendments to the original proposals) shall be voted on one by one. The meeting shall proceed in the order set by the agenda, and may not be modified without a resolution from the shareholders' meeting.</u> The preceding paragraph also applies to meetings convened by a party with the power to convene that is not the board of directors. The Chairman may not dismiss the meeting prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman violates meeting rules and dismiss the meeting, the other directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The Chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; <u>The chair shall announce the end of discussion on a proposal when he/she feels that the proposal is ready for voting, the chair shall arrange sufficient time for voting.</u>	Article 10: If the shareholders' meeting is convened by the board of directors, the meeting agenda will be set by the board of directors. <u>The meeting shall proceed according to the meeting agenda, and may not be modified without a resolution from the shareholders' meeting.</u> The preceding paragraph also applies to meetings convened by a party with the power to convene that is not the board of directors. The Chairman may not dismiss the meeting prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman violates meeting rules and dismiss the meeting, the other directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The Chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.	1. Amended section 4 to exercise voting rights through electronic methods and shall be voted on one by one. 2. Amended section 4 to guarantee shareholder's voting rights.
Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number <u>(or attendance certificate number)</u>, and account name. The order of the shareholders' speak will be determined by the chairman. Shareholders who submit speaker's slip without speaking are considered to have remained silent. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the Chairman. The Chairman may	Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number, and account name. The order of the shareholders' speak will be determined by the chairman. Shareholders who submit speaker's slip without speaking are considered to have remained silent. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the Chairman. The Chairman may	Amended in accordance with references of the Competent Authority

After amendment	Before amendment	Reason for Amendment
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 Chairman and the speaker. The 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.	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 Chairman and the speaker. The 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 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 <u>through electronic and in writing methods</u>. 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. <u>Therefore the Company shall avoid making ad hoc motions and amendments to the original proposals.</u> 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 intends 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 Article of Incorporation, shall be passed with the approval of over half of the attending shareholders voting rights. <u>When voting, shareholders shall vote on each proposal after the chair</u>	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 intends 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 Article of Incorporation, 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	Amended in accordance with references of the Competent Authority

After amendment	Before amendment	Reason for Amendment
<u>or a person designated by the chair announced the total voting rights of shareholders attending the meeting.</u> <u>Wan Hai shall also, on the same day post the results of affirmative, negative and abstained votes on the Market Observation Post System.</u> 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. Ballot monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company. Ballot counting will proceed in public at the place of the shareholders' meeting. The results of the vote shall be documented and announced on site.	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. Ballot monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company. Ballot counting will proceed in public at the place of the shareholders' meeting. The results of the vote shall be documented and announced on site.	
Article 14: 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, <u>including the calculated number of voting rights.</u> The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least a year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	Article 14: 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 ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least a year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	Amended in accordance with references of the Competent Authority
Article 15: The resolutions passed at the shareholders' meeting must be compiled into meeting minutes, signed or stamped by the Chairman. The meeting minutes must be delivered to all shareholders within twenty 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 shall accurately record 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, <u>including the number of voting rights calculated. If there is an election for directors, the number of voting rights of each candidate shall be disclosed.</u> 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	Article 15: The resolutions passed at the shareholders' meeting must be compiled into meeting minutes, signed or stamped by the Chairman. The meeting minutes must be delivered to all shareholders within twenty 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 shall accurately record 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	Amended in accordance with references of the Competent Authority

After amendment	Before amendment	Reason for Amendment
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.	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 20: These Rules and Procedures were created on 21 May 1991. The 1 st amendment was made on 13 May 1998. The 2 nd amendment was made on 29 June 2002. The 3 rd amendment was made on 23 June 2006. The 4 th amendment was made on 24 June 2011. The 5 th amendment was made on 27 June 2012. The 6 th amendment was made on 22 June 2017. The 7 th amendment was made on 18 June 2019. <u>The 8th amendment was made on 23 June 2020.</u>	Article 20: These Rules and Procedures were created on 21 May 1991. The 1 st amendment was made on 13 May 1998. The 2 nd amendment was made on 29 June 2002. The 3 rd amendment was made on 23 June 2006. The 4 th amendment was made on 24 June 2011. The 5 th amendment was made on 27 June 2012. The 6 th amendment was made on 22 June 2017. The 7 th amendment was made on 18 June 2019.	Update the date of the amendment.

Comparison Table of Amendments to Procedures for the Election of Directors of WAN HAI LINES LTD.

After amendment	Before amendment	Reason for amendment
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 <u>and Article 7 of Articles of Incorporation of WAN HAI LINES LTD.</u> Independent and non-independent directors shall be elected concurrently, and the number of the elected shall be calculated separately.	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.	Amended in accordance with Article 192-1 of Company Act and deleted the regulations of supervisors.
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 <u>an independent director or a director of Article 27 of Company Act</u> 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 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 <u>a director</u> 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.	Amended in accordance with Article 14-2, Paragraph 3, Subparagraph 2 of Securities and Exchange Act.
Article 11: <u>Votes for election of directors shall be counted in public at the place of the shareholders meeting. After vote counting has been completed, the chairman immediately announced on-site the results of the voting, including the statistical tallies of the numbers of votes, and shall be recorded.</u>	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>	Amended in accordance with Article 14 of Rules and Procedures of Shareholders Meeting by WAN HAI LINES LTD.
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. <u>The 5th amendment was made on 23 June 2020.</u>	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.	Update the date of the amendment.

WAN HAI LINES LTD.
2019 Earnings Appropriation

Unit: NTD

Item	Total
Undistributed earnings for beginning of period	2,926,844,869
Subtracted:	
Other consolidated income (the re-measurement of defined benefit obligation, 2019)	(11,617,276)
Added : Post-tax net income	3,573,702,722
Subtracted: Provided for legal reserve	(356,208,545)
Subtracted : In accordance with legal provisions special reserve	(708,981,466)
Earnings available for distribution	5,423,740,304
Subtracted: items to be appropriated (Note 1)	
Cash dividends to shareholders (NT\$0.8 per share)	(1,774,637,973)
Undistributed earnings for end of period	3,649,102,331

Notes 1: 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 is allocated from earnings in 2019 available for distribution in 2019.

Ethical Corporate Management Best Practice Principles of Wan Hai Lines Ltd. and its Subsidiaries

Article 1 To enhance the corporate culture of ethical corporate management and the well-rounded development of the Company, the Company has referred to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" in stipulating these principles for future reference.

The scope of these principles are applicable to the Company's subsidiaries, any foundation to which the TWSE/GTSM listed company's direct or indirect contribution of funds exceeds 50% of the total fund received, and other institutions or juridical persons which are substantially controlled by such company (hereinafter referred to as "business group").

Article 2 When engaging in commercial activities, directors, supervisors, managers, employees, mandatories or persons having substantial control over the Company and the business group, (hereinafter collectively referred to as "Company staff," and people with substantial control referred to as substantial controllers") are not permitted to, directly or indirectly, offer promise to offer, request or accept any improper benefits, or engage in any unethical acts including breach of ethics, illegal acts or breach of fiduciary duty that is in violation of integrity, is illegal, or breaches fiduciary duty for purpose of acquiring or maintaining benefits (hereinafter referred to as "unethical conduct").

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or privately-owned businesses or institutions, and their directors, supervisors, managers, employees, or actual controllers or other stakeholders.

Article 3 In these Principles, "benefits" means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates of any type or in any name. However, benefits received or given occasionally in

accordance with normal social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 The Company shall stipulate policies based on integrity with a business philosophy of probity, transparency, and responsibility at their core. Obtaining approval from the board of directors, the Company shall also establish good corporate governance and risk control mechanisms to create a sustainable management environment.

Article 6 The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which is at a higher risk of being involved in unethical conduct. Accordingly the company stipulate various ethical corporate management operating procedures and behavioral guidelines in accordance with actual needs other than the Principles. These procedures and guidelines shall clearly and thoroughly define specific ethical corporate management practices and plans to prevent unethical conducts. The contents shall include operating procedures, behavioral guidelines, training, etc. The contents shall also comply with relevant laws and regulations of locations where domestic business groups are conducting business. The company shall also review the adequacy and effectiveness of preventive measures on a regular basis.

The Company must communicate with employees and other stakeholders in the process of formulating preventive measures.

Article 7 The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and the business groups shall clearly specify ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies in their policies and external documents and on company website, and shall carry out the policies in internal management and in commercial activities.

The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in Articles 1 and 2 hereof, and retain said information properly.

Article 8 The Company shall conduct commercial activities in a fair and transparent manner, based on the Ethical Corporate Management Best Practice Principles.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

The content of the contracts between the Company and the agents, suppliers, clients, or other trading counterparties shall include ethical corporate management policies and include clauses to terminate or release the contracts when the trading counterparties engage in dishonest behavior.

Article 9 The Company and Company staff may not, directly or indirectly, provide, promise, demand or accept any form of improper benefits from or to customers, agents, contractors, suppliers, public servants or other stakeholders when conducting business.

Article 10 When the Company and Company staff provide direct or indirect contributions to political parties or political activities (including organizations and individuals), the Company and its employees shall make certain to comply with the Political Donation Act and Company rules. Neither the Company nor its employees shall use such actions to gain business interest or transaction advantages.

Article 11 The Company and Company staff shall comply with relevant laws and regulations and

internal operating procedures for charitable donations or sponsorships, and shall not pay disguised bribes.

Article 12 Neither the Company nor Company staff shall directly or indirectly offer or accept any unreasonable presents, hospitality, or other improper benefits to establish business relationships or influence commercial transactions.

Article 13 The Company and Company staff shall abide by the relevant regulations of intellectual property, the Company's internal operating procedures, and contractual provisions. Intellectual property shall not be used, disclosed, disposed of, damaged, or otherwise infringed without the consent of the owner of the intellectual property rights.

Article 14 The Company shall engage in business activities in accordance with relevant competition regulations and shall not engage in unfair competition.

Article 15 In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and Company staff shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 16 Company staff shall exercise the due care of a good administrator to supervise and urge the Company to refrain from dishonest behavior. Company staff shall review the implementation results at any time and make continuous improvements to ensure the implementation of the ethical corporate management policy.

The Company has appointed the Department of Management to stipulate and supervise the enforcement of ethical corporate management and formulate preventive measures to improve the management of ethical corporate management. The Department of Management is also responsible for assisting the Board of Directors and management in checking and evaluating whether the preventive measures established by the ethical corporate management are functioning effectively and reviewing the adequacy and effectiveness of preventive measures, and for drafting reports on the evaluation of the compliance level of relevant business procedures on a regular basis (at least once a year).

Article 17 Company staff shall comply with the provisions of laws and regulations and the operating procedures and behavior guidelines of ethical corporate management of the Company.

Article 18 Company staff, substantial controllers and other participating stakeholders, and stakeholders attending or present at the board meetings shall abide by the ethical corporate management operating procedures and behavioral guidelines of the Company and proactively explain whether there is a potential conflict of interest with the Company to allow the Company to identify, monitor, and manage the risk of unethical conducts caused by the conflicts of interest.

When any agenda item at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at the board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. Directors shall practice self-discipline and must not support one another in improper dealing.

The Company's personnel shall not take advantage of their positions and influence in the Company to obtain improper benefits for themselves, their spouses, parents,

children, or any other person.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to the aforementioned agenda item, such director shall be deemed to be an interested party with respect to that agenda item.

Article 19 The Company shall comply with the principles of ethical corporate management to establish an effective accounting system and internal control system, and shall not have falsified statements or retained secret accounts. The Company shall also review the systems at any time to ensure that the design and implementation of the system continue to be effective.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc. and periodically examine accordingly the compliance with the preventive measures and prepare audit reports and submit the same to the Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in audit report to be submitted to the board of directors.

Article 20 The Chairperson, the General Manager, or a senior manager of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall host training sessions and advocacy activities for Company staff periodically and invite counterparties that are engaged in business activities with the Company so they can fully understand the Company's determination toward ethical corporate management, policies, and the consequences for engaging in dishonest behavior.

The Company shall combine the policies of ethical corporate management with employee performance assessment and human resources policies to set a clear and

effective incentive and punishment system.

Article 21 The Company's independent reporting mailbox, comment@wanhai.com, is available for internal and external individuals of the Company.

The Company shall process the identity of the whistle-blower and the content of the reported cases in a confidential manner when dealing with whistle-blowing incidents and protect the whistle-blower from improper or unfair treatment because of the whistle-blowing, and an undertaking regarding anonymous reporting.

The acceptance, investigation process, investigation results, and creation and preservation of the relevant documents of the reported case shall be filed by the dedicated unit in accordance with the whistle-blowing system for unlawful and unethical practices (including corruption). The matter shall be escalated to an independent director if the reported matter involves directors and officers, and a designated person must be appointed for the investigation.

A report shall be drafted and the independent director immediately shall be notified in written form if material violations or significant damage to the Company has been discovered upon investigation. The company shall report to the competent authority or referred to the judicial authority where necessary.

Article 22 The reporting system for unlawful and unethical practices (including corruption) shall be referenced for disciplinary actions and complaints of violations of policies of ethical corporate management. Information such as the position and name of the violator, violation date, violation details and process status shall be immediately disclosed on the internal website of the Company.

Article 23 The measures adopted by the ethical corporate management, implementing status, and results of promotions shall be disclosed by the Company on the website and in the annual report and prospectuses of the Company. The details of the principles shall also be disclosed through the Market Observation Post System.

Article 24 The Company shall at all times monitor the development of relevant local and

international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25 The principles are implemented after the approval of the Board of Directors and should be disclosed in the shareholders' meeting report. The same applies to amendments.

When the principles are submitted to the Board of Directors for discussion by the Company in accordance with the previous article, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board of Directors meeting in person to express an objection or reservations shall provide a written opinion before the Board of Directors meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

Article 26 The principles were enacted on December 19, 2018.

The 1st amendment was made on 26 March 2020.

Ethical Corporate Management Procedures and Conduct Guidelines for Wan Hai Lines Ltd. and its Subsidiaries

Article 1 The Company has set up these Operating Procedures and Code of Conduct Guidelines based on the principles of fairness, honesty, trustworthiness, and transparency in commercial activities. This is done for the sake of implementing ethical corporate management policies and actively preventing unethical conducts. This code of conduct complies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and relevant laws and regulations of the territory where the Company and its business group are operating. This code of conduct concretely regulates matters that must be noted by the Company's personnel while implementing their duties.

The Operating Procedures and Code of Conduct Guidelines are applicable to the Company's subsidiaries, any foundation to which TWSE/GTSM listed company's direct or indirect contribution of funds exceeds 50% of the total fund received, and other institutions or juridical persons which are substantially controlled by such company (hereinafter referred to as "business group").

Article 2 Company personnel in the Operating Procedures and Code of Conduct Guidelines refer to directors, supervisors, managers, employees, or persons with substantial control in the Company or its subsidiaries (hereinafter referred to as "substantial controllers").

Company personnel offer, promise to offer, request, or accept any improper benefits and is presumed to be done by the Company personnel.

Article 3 Unethical conduct, as described in these Operating Procedures and Code of Conduct Guidelines, refers to company personnel who directly or indirectly offer promise to

offer, request, or accept any improper benefits while executing their businesses for purpose acquiring and maintaining benefits. This includes breach of ethics, illegal acts, or breach of fiduciary duty.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees, substantial controllers and other stakeholders.

Article 4 In these Procedures and Guidelines, "benefits" means any valuable things, including money, endowments, commission, positions, services, preferential treatment, rebate, facilitating payment, entertainment, dining, etc. Benefits occasionally received or given in accordance with accepted social customs, and that do not adversely affect specific rights and obligations, shall be excluded.

Article 5 The Company appoints the Department of Management as the dedicated unit (hereinafter referred to as the "dedicated unit") and deploys sufficient resources and competent personnel, to handle amendment, implementation, interpretation, and consultation regarding the Operating Procedures and Code of Conduct Guidelines. The dedicated unit shall also log the report content into file records and supervise implementation. Its duties mainly include the following items and it shall make regular report to the Board meeting (at least once a year):

- I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations.
- II. Refer to prevailing domestic and foreign standards or guidelines and analyze and assess on a regular basis the risk of involvement in unethical conduct within the business scope. Accordingly to set proposals that prevent dishonest behavior and set work-related Operating Procedures and Code of Conduct Guidelines

within each proposal.

- III. Plan internal organization, structure and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.
- IV. Promote and coordinate awareness and educational activities with respect to ethic policy.
- V. Develop a whistle-blowing system and ensure effective implementation.
- VI. Assist the board and management team in auditing, and assessing whether preventive measures for implementing ethical management are operating effectively, and preparing report on regular assessment of compliance with ethical management in operating procedures.
- VII. Compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.

Article 6 When directly or indirectly offering, promising to offer, requesting, or accepting benefits stipulated in Article 4, the Company's personnel shall conform to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Ethical Corporate Management Procedures and Conduct Guidelines. The following items can only be implemented after relevant procedures are processed:

- I. Based on business needs, local customs and courtesies are required during domestic/foreign guests' visits, hosting guests, and promoting business and communication.
- II. Based on normal social etiquette and business purposes, invite others (or being invited) to participate normal social activities to improve relationships.
- III. Inviting guests or being invited to participate in specific business activities because of business needs, such as factory tours. Fees and payment methods for such activities shall be clearly stated before the event, such as the number of

participants, level of accommodation, and duration.

- IV. Attendance at folk festivals that are open to and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums from the management.
- VI. In accordance with social customs or in line with company regulations.

Article 7 When the Company's personnel are directly or indirectly offered or promised to offer the benefits as stipulated in Article 4, except for the circumstances set out in the preceding paragraphs or after prior approval, the relevant benefits shall be rejected or refunded, and the personnel shall report to the immediate supervisor and the dedicated unit of the Company, regardless of whether there is benefit in the position. If it cannot be returned, it shall be submitted to the Company's dedicated unit within three days from the date of receipt.

The Company's dedicated unit shall view the nature and value of the previous item benefit and propose it be returned, repaid, turned over to public ownership, or given to charity organizations; or it shall make other appropriate recommendations. The recommendation shall be implemented after reporting it to the President and obtaining approval.

Article 8 The Company shall not offer or promise to offer any bribery.

Personnel of the Company who provide or promise bribes because of threats or intimidation shall record the process and report to their direct supervisor, as well as notify the Company's dedicated unit.

The Company's dedicated unit shall handle the matter immediately when report of the aforementioned items is received. The dedicated unit shall discuss the event in order to lower the risk of reoccurrence. If the event involves illegality, law enforcement shall be immediately notified.

- Article 9 The Company takes a neutral political position. When contributions are directly or indirectly provided to political parties or to political activities (including organizations and individuals), the Company and its employees shall comply with the Political Donation Act and relevant internal rules of the Company. Neither the Company nor its employees shall use such actions to gain business interests or transaction advantages. The Company's personnel are not allowed to engage in political activities of any political party or political group during working hours and in workplaces. Posting political event posters, articles, and other relevant materials or sending and distributing these materials through email are also not permitted.
- Article 10 Charitable donations or sponsorships provided by the Company should be handled in accordance with the relevant provisions of the Company and the following matters:
- I. The donation shall comply with the local laws of the operating site.
 - II. A written record of the decision is made.
 - III. Charitable donations must be made for charity organizations or governments at all levels instead of being made as a disguised bribe.
 - IV. Considering what can be gained in exchange for sponsorship must be clearly defined and reasonable; the recipient of a sponsorship cannot be a business partner or person with interests in the Company.
 - V. After the donation or sponsorship has been granted, it must be confirmed that the funds are used in accordance with the intended purpose.
- Article 11 When any agenda item at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, or other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice

the interest of the Company, the concerned person may not participate in discussion of or vote on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. Directors shall maintain discipline among one another and not inappropriately support one another.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to the aforementioned agenda item, such director shall be deemed to be an interested party with respect to that agenda item.

If the Company's personnel discover that they themselves or parties they represent have a conflict of interest while implementing company business, or if they themselves, their spouse, parents, offspring, or other stakeholders obtain improper interests, the situation shall be reported to their direct supervisors and the Company's dedicated unit. Direct supervisors shall provide appropriate guidance.

Personnel of the Company shall not use company resources on commercial activities outside of the Company, and shall not participate in commercial activities outside of the Company that may affect their work performance.

Article 12 All departments of the Company shall strictly implement the management, preservation and confidentiality procedures of the Company's business secrets, trademarks, patents, works, and other intellectual property, and shall ensure the continued effectiveness of the Company's confidentiality mechanism.

All personnel of the Company shall strictly abide by the relevant regulations of intellectual property, the Company's internal operating procedures, and contractual provisions, and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned; nor may they inquire about or collect any trade secrets, trademarks, patents,

or other intellectual properties of the Company unrelated to their individual duties.

Article 13 The businesses engaged in by the Company shall follow the Fair Trade Law and relevant competition regulations, and shall not be subject to unfair competition.

Article 14 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall set policies that protect the rights and interests of consumers and other stakeholders, and publish the policy on the Company website. The goal is to prevent products or services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are sufficient facts to determine that the Company's products or services are likely to pose a hazard to the safety and health of consumers or other stakeholders, the Company shall, by principle, recall those products or suspend the services, verify the facts, and present a review and improvement plan immediately.

The dedicated unit of the Company shall report the event as in the preceding paragraph, the actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

Article 15 The Company personnel shall adhere to Securities and Exchange Act, and shall not use their knowledge of undisclosed information for insider trading. Undisclosed information shall not be disclosed to others to prevent other from using undisclosed information for insider trading.

Other agencies or personnel that participate in the Company's mergers, divisions,

acquisitions, share transfers, important memoranda, strategic alliances, and other business cooperation plans or important contracts shall sign a confidentiality agreement with the Company. The signatory shall promise not to disclose the Company's trade secrets or other important information that they are aware of to others. The aforementioned information shall not be used without the Company's approval.

Article 16 The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall disclose its honest management policy in internal regulations, annual reports, on the Company's website, or via other announcement methods. The honest management policy shall be announced at an appropriate time at product launches, investor conferences, and other public events so that suppliers, customers, and other business related organizations and personnel can clearly understand the Company's honest management concept and specifications.

Article 17 Before the Company establishes a business relationship with others, the Company shall first assess the legality and honest management policy of the agent(s), supplier(s), customer(s), or other business dealing subjects. The Company shall first determine whether these subjects have been involved in dishonest behavior to ensure that they operate in a fair manner, have information transparency, and will not request, provide, or accept bribes.

During the assessment, the Company can use appropriate audit procedures to examine business partners according to the following items to understand their ethical management status:

- I. The nation, operating location, organization structure, management policy, and payment location of the Company.

- II. Whether that company has established ethical management policy and the implementation status.
- III. Whether the country that a company operates in carries high corruption risk.
- IV. Whether the business that a company engages in carries a high risk of bribery.
- V. The long-term operating status and business reputation of the corporation.
- VI. Consultation of the opinion of its corporate partners towards the subject corporation.
- VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 While conducting business, the Company's personnel shall clarify the Company's ethical management policy and other related regulations to the transaction partner. Company personnel shall clearly refuse to directly or indirectly offer, promise to offer, request, or accept any forms of improper benefits.

Article 19 The Company's personnel shall avoid business with agents, suppliers, customers or other entities who engage in unethical conduct. Any existing business shall be stopped and the entities shall be listed on the banned list to implement the Company's ethical management policy.

Article 20 When the Company signs a contract with others, the Company shall sufficiently understand the ethical management status of the other party and include the Company's ethical management policy into the contract. It is better to clearly set the following items in the contract:

- I. If any party is aware of personnel who violate regulations on receiving commissions, kickbacks, or other improper interests, the party shall reveal the identity of these personnel, the provided, promised, or requested items, the receiving methods, the amount, and other improper interests to the other party.

The aware party shall provide relevant evidence and cooperate with the other party in the investigation. If one party has been harmed, the harmed party can request compensation from the other party, and the compensation can be deducted from the contract price.

- II. If any one party engages in dishonest commercial activity, the Company has the right to terminate the contract at any time without condition.
- III. Clearly set and reasonable payment content, including payment location, method, and relevant tax laws that must be followed.

Article 21 The Company encourages internal and external personnel to report unethical conduct or misconduct. False reports or malicious allegations made by internal personnel will be disciplined based on the conditions and in accordance with Company management rules.

The Company sets up an internal independent mailbox: comment@wanhai.com, on the Company website and internal website for use by internal and external personnel of the Company.

The Company has set up a reporting mailbox and hotline on the Company website and internal website, which can be used by internal or external personnel for reporting violation. The reporting personnel shall provide the following information at a minimum:

- I. The name, ID number, address, phone number, and email of the informant.
- II. The name or other information that can identify the identity of the violator.
- III. Specific evidence that can be used for investigation. The company may not refuse reports of offenses on grounds that the whistle-blowers fail to provide personal information or contact information mentioned in Paragraph I hereof.

Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report is

confidential. The Company also promises to protect the reporter from improper and unfair treatment because of the reported violation.

The Company's dedicated unit shall handle the report in the following procedures:

- I. For reporting that is involved with regular employees, the head of the department shall be notified. For reporting that is involved with directors or managers, the independent directors shall be notified.
- II. The Company's dedicated unit and its supervisors or personnel of the preceding paragraph shall, as soon as possible after receiving the report, ascertain the relevant facts and, if necessary, receive assistance from other relevant departments.
- III. If the person being reported has indeed violated relevant regulations or the Company's honest management policy rules, the person will be asked to immediately cease his/her improper behavior and be appropriately handled. Where necessary, the company reported to the competent authority or referred to the judicial authority and requested adequate remedies through legal procedures to maintain the Company's reputation and rights and interests.
- IV. The Company may provide the respondent an opportunity to make a statement or appeal before it makes a decision on disciplinary action.
- V. Written documentation from the reporting, investigation processes, and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit. Written documentation from the reporting, investigation process and the investigation result shall be saved for at least five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the storage period, the relevant data shall be kept until the conclusion of the lawsuit.
- VI. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures,

and propose improvement measures to ensure that the same behavior is not repeated.

VII. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board.

Article 22 If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 The Company's dedicated unit should regularly hold internal promoting activities, and arrange for the Chairman of the Board, the General Manager, or senior executives to convey the importance of integrity to directors, employees, and assignees.

The Company shall include honest management into employee work performance assessments and HR policies. A clear and effective reward, punishment, and complaint system shall be established.

Company personnel who severely violate honest behavior shall be dismissed according to relevant regulations or company management rules.

The Company shall disclose on the internal website the position, name, violation date, violation content, and handling procedure of the violator.

Article 24 These Procedures and Guidelines of Conduct shall be implemented after being passed as a board resolution, and shall be reported at the shareholder's meeting.

When the Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and expressed reservations shall be recorded in the minutes of the Board meeting. If an independent director is unable to attend a Board meeting in

person to express objections or reservations, he/she shall provide a written opinion before the Board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board meeting.

Article 25 The Procedures and Guidelines of Conduct were established on December 19, 2018.
The 1st amendment was made on 26 March 2020.

Articles of Incorporation of WAN HAI LINES LTD.

- Article 1 The Company is incorporated according to the Company Act, and is named WAN HAI LINES LTD.
- Article 2 The scope of business of the Company shall be as follows:
- I. G301011 Ship Transportation
 - II. G401011 Shipping Agency Services
 - III. F199990 Other Wholesale Trade
 - IV. F299990 Retail Sale of Other Retail Trade
 - V. F114060 Wholesale of Ship Machinery and Parts
 - VI. F214060 Retail Sale of Ship Machinery and Parts
 - VII. G404011 Container Distributing Center Business
 - VIII. G403010 Ship Rental and Leasing
 - IX. G405010 Container Rental and Leasing
 - X. G406061 Ship Stevedore Operator
 - XI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company 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 percent of paid-in capital.
- Article 3 The Company shall have its head office in Taipei City, and shall set up branches or shipping agencies at appropriate locations
- Article 4 Public announcements of the Company shall be made in accordance with the Article 28 of Company Act.

- Article 5 The total capital stock of the Company shall be in the amount of NTD 25 billion, divided into 2.5 billion shares, at NTD 10 each, and may be paid-up in installments.
- Article 5-1 The Company's Stock should be numbered, with the signature or authorized seal of three or more directors before issuing stock, 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 the "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 6 Shareholders' Meeting
- I The shareholders' meetings are composed of all of the shareholders, and are of two types: general meetings and extraordinary meetings. General meetings shall be convened once a year, within six months of the end of the fiscal year, and in accordance to law by the board of directors. Extraordinary meetings may be convened whenever necessary.
 - II The shareholders' meeting shall be presided over 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.
 - III 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.
 - IV 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 percent of the total of shares

issued, shares in excess of 3 percent may not be counted.

- V Each share of the Company held by a shareholder counts as one vote.

Article 7 The Board of Directors

- I. The Company's Board of Directors consists of seven directors. Directors shall be elected by adopting candidate nomination system. The shareholders shall elect the directors from the list of candidates. The term of office for directors shall be three years, and directors may be reelected to serve another term.
- II. The number of directors set forth in the preceding paragraph shall be not less than three independent directors, and not less than one-fifth of the total number of directors. The professional qualifications, restrictions on shareholdings and concurrent post, identification of independence, nomination and election, 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.
- III. The directors shall elect from among themselves a Chairman and a Vice Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the directors.
- IV. Article 208 of the Company Act shall apply when the directors' meeting is suspended.
- V. The board of directors meets once every quarter, and extraordinary meetings 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 the 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.
- VI. 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.
- VII. A directors' meeting may be convened via fax or E-mail.
- VIII. 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.

- IX. 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 in number, 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 Articles of Incorporation.

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 following reports shall be prepared by the board of directors, and submitted to general meetings for acceptance:

- I Business Report;
- II Financial Statements;
- III Earnings distribution or loss reimbursement proposal.

Article 11 If there is any annual profit for the Company, not less than 1 percent of the annual profit should be appropriated as remuneration for employees, and not more than 1 percent 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. 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, the net profit after tax shall be listed as the annual retained earnings, are then carried to the 10 percent 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 percent 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 percent of total dividends.

Article 12 The organizational rules of the Company shall be determined by the board of directors.

Article 13 Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 14 This Articles of Incorporation 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.
The 40th Amendment was made on 23 June 2020.

Rules and Procedures of Shareholders Meeting by WAN HAI

LINES LTD.

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules and Procedures have been created as a way of complying with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules and Procedures.

Article 3 Unless otherwise specified by law, the Company's shareholders meetings are convened by the board of directors.

When a general meeting is convened, a meeting agenda shall be provided, and notification shall be sent to each shareholder 30 days prior to the general meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 30 days prior to the general meeting. When an extraordinary meeting is convened, notification shall be sent to each shareholder 15 days prior to the extraordinary meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 15 days prior to the general meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any items contained in Article 185 Paragraph I of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities

affairs or the company, and such website shall be indicated in the above notice.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in a meeting agenda. Additionally, unless any of Article 172-1 Paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a general meeting.

Prior to the book closure date before a general meeting is convened, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words. The shareholder making the proposal shall be present in person or by proxy at the general meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form is delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two days before the shareholders' meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The time to start the meeting shall not earlier than 9 a.m. or later than 3 p.m.

- Article 6 The company will provide an attendance log to record the shareholders or proxies of shareholders (collectively, "shareholders") attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The Company will provide the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials to the attending shareholders. For elections of directors, ballots will be distributed as well.
- Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance; those acting as proxies shall bring their identification cards for verification. Governments or corporations acting as shareholders are not limited to one attending person. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- 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 managing director to act on his behalf. If no one is appointed, the managing directors or the directors shall select from among themselves one person to perform the Chairman's duties.
- For shareholders' meetings convened by the board of directors, the number of participating directors who attend shall 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 percent 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 percent, but exceeds one-third of all outstanding shares, the Company may proceed according to Paragraph 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, the meeting agenda will be set by the board of directors. The meeting shall proceed according to the meeting agenda, and may not be modified without a resolution from the shareholders' meeting.

The preceding paragraph also applies to meetings convened by a party with the power to convene that is not the board of directors.

The Chairman may not dismiss the meeting prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman violates meeting rules and dismiss the meeting, the other directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number, and account name. The order of the shareholders' speak will be determined by the chairman. Shareholders who submit

speaker's slip without speaking are considered to have remained silent. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the Chairman. The 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 Chairman and the speaker. The 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 for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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 intends 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 Article of Incorporation, 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.

Ballot monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company. Ballot counting will proceed in public at the place of the shareholders' meeting. The results of the vote shall be documented and announced on site.

Article 14 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 ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least a year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 The resolutions passed at the shareholders' meeting must be compiled into meeting minutes, signed or stamped by the Chairman. The meeting minutes must be delivered to

all shareholders within twenty 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 shall accurately record 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 matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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 bands or identification cards 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 shall 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 Chairman may suspend the meeting and announce the time of continuation of the meeting after examining the situation.

If the meeting venue is no longer available for continued use and not all of the items

(including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. According to 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 and Procedures shall become effective once resolved during the shareholders' meeting; the same applies to all subsequent revisions.

Article 20 These Rules and Procedures 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.

The 7th amendment was made on 18 June 2019.

Rules and Procedures of Shareholders Meeting by WAN HAI

LINES LTD.

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules and Procedures have been created as a way of complying with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules and Procedures.

Article 3 Unless otherwise specified by law, the Company's shareholders meetings are convened by the board of directors.

When a general meeting is convened, a meeting agenda shall be provided, and notification shall be sent to each shareholder 30 days prior to the general meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 30 days prior to the general meeting. When an extraordinary meeting is convened, notification shall be sent to each shareholder 15 days prior to the extraordinary meeting; notification for shareholders holding less than 1,000 shares shall be done by means of a public announcement made through the MOPS 15 days prior to the general meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any items contained in Article 185 Paragraph I of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities

affairs or the company, and such website shall be indicated in the above notice.

If the reason for convening a shareholders meeting is specified as for full re-election of directors and if the dates of taking office are specified, the dates may not be altered by ad hoc motions or other means in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in a meeting agenda. However if the shareholder's proposal is to urge the company to enhance public interests or to fulfill the company's social responsibilities, the Board of Directors shall still include it in the agenda. Additionally, unless any of Article 172-1 Paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a general meeting.

Prior to the book closure date before convening a regular shareholders meeting, our company shall publicly announce that it will receive shareholders' proposals, whether in writing or by electronic means, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form is delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two days before the shareholders' meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The time to start the meeting shall not earlier than 9 a.m. or later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting

Article 6 The Company shall state the time and location for registration, and other matters requiring attention in the notice of the shareholders meeting. The time for registration by shareholders shall be at least 30 minutes before the meeting. The place for registration shall be clearly marked, and the registration shall be handled by sufficient and competent persons. Shareholders in person or their proxies shall attend the shareholders meeting either by showing their attendance certificates, attendance reporting cards or other attendance documents.

The company may not arbitrarily require additional documents for shareholders to attend the meeting. Shareholders soliciting proxy forms shall also bring their I.D. cards for verification

The company will provide an attendance log to record the shareholders attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The Company will provide the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials to the attending shareholders. For elections of directors, ballots will be distributed as well.

Governments or corporations acting as shareholders are not limited to one attending person. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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 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 directors shall select from among themselves one person to perform the Chairman's duties.

For shareholders' meetings convened by the board of directors, the number of participating directors who attend shall exceed one half.

If a director sits in as the chair, the director must be someone who has held the post for at least six months and is knowledgeable of the company's financial and business situations. The same holds true if the chair is a representative of a corporate director. Shareholders meetings convened by the directors must be attended by a majority of

directors and at least one representative of the various functional committees and their attendance shall be recorded in the minutes of the meetings.

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, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures, 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 percent 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 percent, but exceeds one-third of all outstanding shares, the Company may proceed according to Paragraph 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 a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Relevant proposals (including ad hoc motions and

amendments to the original proposals) shall be voted on one by one. The meeting shall proceed in the order set by the agenda, and may not be modified without a resolution from the shareholders' meeting.

The preceding paragraph also applies to meetings convened by a party with the power to convene that is not the board of directors.

The Chairman may not dismiss the meeting prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman violates meeting rules and dismiss the meeting, the other directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; The chair shall announce the end of discussion on a proposal when he/she feels that the proposal is ready for voting, the chair shall arrange sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number (or attendance certificate number), and account name. The order of the shareholders' speak will be determined by the chairman. Shareholders who submit speaker's slip without speaking are considered to have remained silent. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the Chairman. The 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 Chairman and the speaker. The 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 for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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 through electronic and in writing 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. Therefore the Company shall avoid making ad hoc motions and amendments to the original proposals.

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 intends 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 Article of Incorporation, shall be passed with the approval of over half of the attending shareholders voting rights. When voting, shareholders shall vote on each proposal after

the chair or a person designated by the chair announced the total voting rights of shareholders attending the meeting. The Company shall also, on the same day post the results of affirmative, negative and abstained votes on the Market Observation Post System.

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.

Ballot monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company. Ballot counting will proceed in public at the place of the shareholders' meeting. The results of the vote shall be documented and announced on site.

Article 14 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, including the calculated number of voting rights.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least a year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 The resolutions passed at the shareholders' meeting must be compiled into meeting minutes, signed or stamped by the Chairman. The meeting minutes must be delivered to all shareholders within twenty 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 shall accurately record 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, including the number of voting rights calculated. If there is an election for directors, the number of voting rights of each candidate shall be disclosed. 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 matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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 bands or identification cards 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 shall 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 Chairman may suspend the meeting and announce the time of continuation of the meeting after examining the situation.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. According to 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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The 1st amendment was made on 13 May 1998.

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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.

The 7th amendment was made on 18 June 2019.

The 8th amendment was made on 23 June 2020.

Procedures for the Election of Directors by WAN HAI LINES LTD.

- Article 1 All elections of the Company's directors should be elected in accordance with the regulations established in the Procedures, which have been created in compliance with the Company Act and the Company's Articles of Incorporation.
- Article 2 Election of directors of the Company shall be held at the shareholders' meeting.
- Article 3 Election of directors of the Company shall use a registered ballot system. The registration for the election can be replaced by the shareholders account number. The cumulative voting system is used to fully reflect the opinions of the shareholders.
- Article 4 In the election of directors of the Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons. 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 and Article 7 of Articles of Incorporation of WAN HAI LINES LTD. Independent and non-independent directors shall be elected concurrently, and the number of the elected shall be calculated separately.
- Article 5 In the election of directors of this Company, candidates who acquire more votes should win the seats of directors and independent directors with the quota established by the Company's Articles of Incorporation. Pursuant to Article 14-2, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, a candidate who is elected as an independent director or a director of Article 27 of Company Act simultaneously may not assume the post of independent director. If two or more candidates acquire the same number of votes and exceed the specified seats available, such candidates shall draw lots to decide who should win the seats available. For non-attending candidates, the Chairman shall draw lots on behalf him or her.
- Article 6 The board of directors shall prepare ballots for directors in numbers corresponding to the directors to be elected. The attendance card numbers shall be printed on the ballots, and the number of voting rights associated with each ballot shall be specified on the ballots. Such ballots shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used

instead of recording the names of voting shareholders. No additional ballots will be issued to common share shareholders that exercise voting rights by electronic means.

Article 7 At the beginning of the election, the Chairman must assign monitoring personnel and counting personnel 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:

- I. A voter does not hand in the sign-in card to complete the sign-in procedures.
- II. A ballot is not the one prescribed in the Procedures.
- III. A blank ballot is placed in the ballot box.
- IV. The writing is unclear, has been altered without correction according to the law, or is illegible for other reasons.
- V. The name of the candidate entered in the ballot is not a candidate for election.
- VI. Single ballots with a number of persons to be elected exceeding the prescribed quota.
- VII. Ballots with other writing on it apart from the name and shareholder account number, identity card number, or passport number of the person to be elected.
- VIII. Ballots where the name of the person to be elected is the same as another person to be elected, and a shareholder account number, identity card number, or passport number is not provided to differentiate.

Article 11 Votes for election of directors shall be counted in public at the place of the shareholders meeting. After vote counting has been completed, the chairman immediately announced on-site the results of the voting, including the statistical tallies of the numbers of votes, and shall be recorded.

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 The Procedures and subsequent amendments thereof shall become effective after

approval at 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.
The 5th amendment was made on 23 June 2020.

Other Information That Should Be Disclosed

I. 2018 Earnings Distribution: Directors Remunerations and Employee Remunerations:

Unit: NTD

Items	Sub-Total	Stock Conversion	Scale of Stock Dilution
Director Remunerations (Cash)	\$17,044,794	-	-
Employee Remunerations (Cash)	\$17,044,794	-	-
Employee Remunerations (Stock)	\$0	-	-
Total	\$34,089,588	-	-
Note: The above distribution matched a Board of Directors resolution reached on Mar 22, 2019.			

II. Dividends Policy

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.

III. Proposed distribution of retained earnings of year 2018

1. The Company's 2019 net income after tax was NT\$3,573,702,722. In accordance with relevant laws and the Memorandum of Association, 10% of net income which equates to the amount of NT\$356,208,545 was appropriated as legal reserve and also the reversal of special reserve of NT\$708,981,466. After the addition of beginning period undistributed earnings of NT\$2,926,844,869 and the other comprehensive losses of NT\$ 11,617,276 (the

2019 annual remeasurement of defined benefit obligation), the available undistributed earnings was NT\$5,423,740,304. The 2019 annual earnings appropriation was NT\$ 1,774,637,973 for distribution to shareholders as cash dividend of NT\$0.8 per share.

2. The influence of stock dividends toward operating performance, EPS, and ROE of the company: It is not applicable.
3. Employees' and Directors' remuneration:
The basis for estimating the amount of employee, director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: the current period estimated employees' remuneration was NT\$45,315,616, and the Directors' remuneration was NT\$45,315,616, as the same figure was allotted by the Board of Directors for both groups.

Status of the Number of Shares Held by Directors

1. Detailed Table of the minimum shares held by directors, 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	93,792,070 Shares

Note: Book closure date: Apr 25, 2020

2. Detailed Table of amount of shares held by Directors

Until book closure date: Apr 25, 2020

Title	Name	Share Numbers Recorded in the Shareholder Registration Book (shares)	Notation
Chairman	SHIHLIN PAPER CORPORATION	29,933,031 Shares	Representative: Po-Ting Chen
Director	TAILI CORPORATION	5,469,256 Shares	Representative: Randy Chen
Director	SUN SHINE CONSTRUCTION CO., LTD	26,487,607 Shares	Representative: Chiu-Ling Wu
Director	CHEN-YUNG FOUNDATION	31,902,176 Shares	Representative: Chih-Chao Chen
Independent Directors	RUNG-NIAN LAI	0 Shares	
Independent Directors	PAI-TSUNG CHEN	0 Shares	
Independent Directors	STEPHANIE LIN	0 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: The amount of shares held by directors has reached the legal standards.