

Stock Code: 2615

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WAN HAI LINES LTD. 2022 Annual General Shareholders' Meeting

Time: May 26, 2022

Venue: 2F, No.16, Section 4, Zhongshan 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.

2022 Annual General Shareholders' Meeting Procedures

1. Commence Meeting

2. Chairman's Speech

3. Reports

4. Acknowledgements

5. Discussions

6. Special Motions

7. Dismissal

WAN HAI LINES LTD.

2022 Annual General Shareholders' Meeting Agenda

- (1) Time: 9:00 a.m. Thursday, May 26, 2022
- (2) Venue: 2F, No.16, Section 4, Zhongshan, North Road, Taipei City Jing-Guo Memorial Hall, China Youth Corps Chientan Youth Activity Center, Auditorium (Physical meeting)
- (3) Commence Meeting
- (4) Chairman's Speech
- (5) Reports
 1. 2021 Annual Employees' Remuneration and Directors' Remuneration Report
 2. 2021 Business Report
 3. Audit Committee's Review Report on the 2021 Financial Statements
 4. 2021 Domestic Unsecured Corporate Bond Issuance
 5. Amendments for Wan Hai Lines Ltd. Perpetuity Development Code of Practice Report.
- (6) Acknowledgements
 1. Presenting the 2021 Financial Statements and Business Report
 2. Presenting the 2021 Earnings Appropriation
- (7) Discussions
 1. Proposal for a new share issue through capitalization of earnings
 2. Amendment to the Articles of Incorporation
 3. Amendment to the Rules and Procedures of Shareholders Meeting
 4. Amendment to the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its Subsidiaries
- (8) Special Motions
- (9) Dismissal

【 Reports 】

(1) Please examine the 2021 Annual Employees' Remuneration and Directors' Remuneration Report.

Explanatory Notes: The Company's 2021 annual profit was NT\$129,593,030,136 (pre-tax benefit before the deduction of employees' remuneration and directors' remuneration), with a provision of 0.6% for employees' remuneration as NT\$777,558,181 and 0.1% for Directors' remuneration as NT\$129,593,030. The employees' remuneration and directors' remuneration are to be distributed in cash.

(2) Please examine the 2021 Business Report.

Explanatory Notes: Please refer to Attachment 1. (Page 8~13)

(3) Please examine the Audit Committee's Review Report on the 2021 Financial Statements.

Explanatory Notes: Please refer to Attachment 3. (Page 29~30)

(4) Please examine 2021 Domestic Unsecured Corporate Bonds Issuance.

Explanatory Notes:

1. For operation capital needs, as approved by the board of directors on March 15, 2022, the issuance of domestic unsecured corporate bonds with a total amount not exceeding NT\$60 billion in one or several installments.

(5) Please examine the amendment to 「the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its Subsidiaries」.

Explanatory Notes:

1. To continue to advance corporate social responsibilities in order to achieve full implementation of sustainable corporate development, and to carry out agenda such as environmental sustainability, social public good and corporate governance etc., "Wan Hai Lines' Code of Practice of Corporate Social Responsibilities" was amended in accordance with Corporate Governance Sustainable Development Ver.3 promulgated by the Financial Supervisory Commission, and the Code of Practice of Corporate Social Responsibilities was renamed "Wan Hai Lines Ltd. Codes of Practice for Sustainable Development" by December 10, 110 Board of Directors by December 10, 110 Board meeting of Directors. Please refer to Attachment 5. (Page 32~40)

【 Acknowledgements 】

1st Motion:

Subject: Presenting the 2021 Financial Statements and Business Report for acknowledgements. (Proposed by Board of Directors)

Explanatory Notes:

1. The Company's 2021 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 8~28)
3. Please proceed to acknowledge.

Resolution:

2nd Motion:

Subject: Presenting the 2021 Earnings Appropriation for acknowledgements.
(Proposed by Board of Directors)

Explanatory Notes:

1. The Company's 2021 net income after tax was NT\$103,342,908,028. In accordance with relevant laws and the Memorandum of Association, 10% of net income which equates to the amount of NT\$10,333,880,596 was appropriated as legal reserve and also the provision of special reserve of NT\$747,892,105. After the addition of beginning period undistributed earnings of NT\$7,656,094,435 and the other comprehensive income of NT\$4,102,069 (the 2021 annual remeasurement of defined benefit obligation), the available undistributed earnings was NT\$99,913,127,693.
2. In accordance with relevant laws and the Memorandum of Association, the 2021 annual earnings appropriation was NT\$ 29,281,526,536, for distribution to shareholders are as follows :
 - (1) Cash dividend of NT\$10.5 per share, NT\$ 25,621,335,726 as total amount.
 - (2) Stock dividend of NT\$1.5 per share, NT\$ 3,660,190,810 as total amount.
3. 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 2021.
4. 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.
5. 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.
6. For the company's 2021 Earnings Appropriation table, please refer to Attachment 4 (Page 32).
 7. Please proceed to acknowledge.

Resolution:

【 Discussions 】

1st Motion:

Subject: A proposal for capital increase by earnings to issue new shares. (Proposed by the Board of Directors)

Explanatory Notes:

1. In consideration of the needs of future business developments of Wan Hai Lines, we intend to appropriate the N.T. \$ 3,660,190,810 shareholders' stock dividend from the distributable earnings of 2021 to issue 366,019,081 shares with a par value of N.T. \$10. The new shares shall have the same rights and obligations of the original shares. The paid-in capital shall be N.T. \$ 28,061,462,930 after the capital increase.
2. 150 bonus shares will be issued for every 1,000 shares held by shareholders as listed in the shareholders register on the ex-dividend date. If fractional shares are issued, shareholders may register with Wan Hai Lines' agent for stock affairs for consolidation of them within 5 days of ex-rights date. If not consolidated or if still short of 1 share after consolidation, a cash payment will be made in accordance with Article 240 of the Company Law. It will be calculated to 1 N.T. dollar (less will be discarded). The chairman of the board is authorized to negotiate with specific parties for them to purchase such shares at par value. If shareholders are using the book entry-transfer method, proceeds from their fractional shares will be used to cover book entry-transfer fees.
3. If share capital changes after appropriation of dividend affect the number of outstanding shares and thus causing changes in the dividend rate, it is proposed that the board of directors shall be fully authorized by the shareholders meeting to handle the matter in accordance with relevant rules and regulations.
4. Upon approval of this case by the shareholders meeting and competent authorities, the board of directors shall be authorized to set base dates for issuing new shares and other relevant matters.
5. Please proceed to discuss.

Resolution:

2nd Motion:

Subject : Amendment to 「 Articles of Incorporation of WAN HAI LINES LTD. 」for discussion.

Explanatory Notes:

1. In compliance with amendment of Article 172-2 of the Company Law, Wan Hai Lines Ltd. intends to amend its Articles of Incorporation to accommodate video conferences and other means of holding shareholders' meetings as stipulated by competent authorities.
2. For a Comparison Table of Articles of Incorporation before and after the amendment, please refer to Attachment 6 (page 41~42) and Articles of Incorporation after the amendment, please refer to Appendix 1 (page 49~54)
3. Please proceed to discuss.

Resolution:

3rd Motion:

Subject: Amendment to 「 Rules and Procedures of Shareholders Meeting by WAN HAI LINES LTD. 」 for discussion.

Explanatory Notes:

1. In compliance with amendment of Article 172-2 of the Company Law and Articles of Incorporation, Wan Hai Lines Ltd. intends to amend its Rules and Procedures of Shareholders Meeting.
2. For a Comparison Table of Rules and Procedures of Shareholders Meeting before and after the amendment, please refer to Attachment 7 (page 43); for Rules and Procedures of Shareholders Meeting before and after the amendment, please refer to Appendix 2 and 3 (page 55~70).
3. Please proceed to discuss.

Resolution:

4th Motion:

Subject : Amendment to 「 the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its Subsidiaries 」 for discussion

Explanatory Notes:

1. According to the amendment of 「 Regulations Governing the Acquisition and Disposal of Assets by Public Companies 」 issued by the Financial Supervisory Commission on January.28, 2022, the Company shall amend 「 the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its Subsidiaries 」 .
2. This major amendments to the requirement that the company and its subsidiaries conduct major related party transactions should be approved by the shareholders' meeting in advance. And also consider the overall business planning needs of the company and its subsidiaries, or between subsidiaries; relax limit for the waiver of shareholders' meeting resolutions for transactions between these companies. Also amend the relevant provisions for improve the quality of opinions issued by external experts.
3. The comparison table for the amendments is attached hereto as Attachment 8 (page 44~48) and for post-revision procedure please refer to Appendix 4 (page 71~84).

4. Please proceed to discuss.

Resolution:

【Special Motions】

【Dismissal】

Wan Hai Lines Ltd.
Business Operations Report

1. Business Policy

Covid-19 vaccination rates rose in all major countries in 2021, and since the pandemic eased, many countries lifted domestic restrictions and life gradually returned to normal, which resulted in overall market demands, and global economy rebounded from the rock bottom. However there was no clear improvement in regard to labor shortages and decreased efficiency of harbor operations caused by the endemic. Business operations were under stress in 2021, due to congestions in major ports, lower turnover rates for vessels and containers, and sharp increases in vessel and container rent.

Wan Hai Lines responded timely to market demands and global economic and trade changes, by opening new or adjusting shipping routes, in line with its flexible and steady business model of getting a head start after careful evaluation of market trends. In the same time, Wan Hai Lines maintained its good standing in the shipping industry by precise calculation of costs and by upgrading its vessels. Furthermore, Wan Hai Lines upheld its operational philosophies of “Customer first, full participation, environmental protection and sustainable management” in providing its customers with prompt and convenient sea transportation. Furthermore Wan Hai Lines fulfilled its corporate social responsibilities and aspired to sustainable environment protection so as to live up to the support and expectations of its shareholders and the general public.

2. Business Profile

I. Changes in External Conditions.

- (i) Economic Climate: Global economy gradually recovered in 2021, as the Covid-19 pandemic slowly came under control due to higher vaccination rates. According to a United Nations survey, global economic growth was estimated to rise to 9.4% in 2021, a substantial increase from the growth of 2020. IMF estimated that global economic growth would rebound to 5.9% in 2021, from the -3.1% of 2020. IHS Markit estimated that global economic growth would rise to 5.59%, a substantial increase from -3.39% of 2020.
- (ii) Oil Prices: The recovery of global economy drove oil prices up, the price of Brent crude rose from the average of U.S.\$54.72/barrel in January 2021 all the way up to the peak of U.S.\$83.51/barrel on average in October 2021. The price of crude began to fall at the end of 2021 due to the emergence of Omicron variant of Covid-19. The annual average price for Brent crude in 2021 was U.S.\$70.6/barrel,

an increase of 69.34% from the 2020 annual average of U.S.\$41.69.

- (iii) Charter Market: Due to global economy recovery, demand increased in the charter market, and charter rates for all types of vessels rose sharply. According to Alphaliner Charter Rate Index and Freight Rate Indices, the charter rate index for January 2021 was 130, along with vaccination rate increases, U.S. and European countries gradually eased their restrictions, rising market demands pushed up the charter rates for container vessels, and the charter rate index for container vessels shot to 468, reaching a 5year high.
- (iv) Industry Competition: According to Alphaliner statistics, 153 new vessels were delivered in 2021 and total capacity was 1,097,063 TEU. Only 19 container vessels were decommissioned in 2021, decreasing shipping space by 16,521 TEU. Shipbuilding contracts for 556 vessels were signed in 2021, and total capacity was 4,249,796 TEU. The types of vessels ordered in this wave included medium and small-size vessels as well as large vessels. The new vessels will increase the transportation capacities of shipping companies, and will also accelerate replacement of old vessels so as to utilize the technologies of new vessels to comply with future environmental protection laws and regulations and carbon neutral issues, to raise operational performances of self-owned fleet. In the future, overall container shipping capacity will continue to rise. At the end of 2020, there were 5,372 container vessels/23,896,671 TEU, and at the end of 2021, the figures rose to 5,505 container vessels/24,983,462 TEU, a growth of about 4.5%. It is estimated that in 2022, the total capacity will rise to 5,660 vessels/26,008,792 TEU, a growth of 4.1% from 2021, and competition between shipping companies will continue to grow.
- (v) Market Fluctuations: In 2021, the world benefited from the gradual control of the Covid-19 pandemic through higher vaccination rates. Countries gradually lifted border controls or lock-down measures taken during the pandemic, people's lives gradually returned to normal, consumptions and investments increased and stimulated the economic growth. However economic growth rates differed from country to country due to unequal distribution of vaccines and different prevention policies. The U.S. and European countries lifted lock-downs sooner due to faster vaccinations, and thus overall market demands rose, however the pandemic situations in some major supply-chain countries remained serious and thus supply was under pressure. On the other hand, sudden surges in workload and labor shortages during the pandemic, caused operational efficiency to drop, which resulted in serious port congestions and chaos in supply-chains.

II. Responsive Policies.

Covid-19 changed pre-existing business models, rapidly recovering market demands, labor shortage, material shortage, supply-chain imbalance due to port congestions and the highly transmissible Covid-19 variant, resulted in a very uncertain outlook for global economic recovery. In this rapidly changing economic environment, Wan Hai Lines upheld its consistent steady business principles, and responded accordingly. The economic climate improved in 2021, and market demands increased sharply. To meet international trade demands, Wan Hai Lines flexibly deployed its self-owned vessels, purchased second hand vessel and chartered vessels in response. To achieve maximum profitability, Wan Hai Lines opened and adjusted shipping routes and optimized vessel deployments. Moreover, it entered into joint ventures and shipping space exchange co-operations with major shipping companies, in order to provide its customers with more comprehensive services and to maintain its competition advantages. With regard to management of self-owned fleet, Wan Hai Lines improved its overall operational performance by upgrading ship equipment and replaced old vessels with newly delivered vessels to achieve energy saving and carbon reduction effects.

III. Achievements of business plans

(i) Analysis of major service areas and their markets

Wan Hai Lines is a full container liner operator, its service network includes Northeast Asia, Mainland China, Southeast Asia, the Indian Subcontinent, Pakistan, the Middle East and the west coasts of U.S.A. and South America. They are further elaborated as follows:

A. Northeast Asia

Wan Hai Lines has been deep cultivating the regional shipping routes between Japan, South Korea and Asia for a long time. It is familiar with the needs of its customers, enjoys good relationships with its customers, has a good reputation and a high market share. To further improve its operational competitiveness and to maintain the existing high quality and reliable shipping services, Wan Hai Lines continues to better its shipping route networks, concentrated shipping services between Northeast Asia and other Asian countries, and at the same time raise shipping space usage rates and decrease operational costs.

B. Southeast Asia

The pandemic returned to Southeast Asian countries due to low vaccination rates, and the emergence of highly transmissible covid-19 variants, and countries including Vietnam, Malaysia, and Cambodia etc. reimposed strict preventive restrictions, which hit the economic recovery hard, especially in the manufacturing and tourism sectors.

Fortunately the pandemic gradually got under control by the end of 2021 and production capacities picked up again, which in conjunction with the traditional high season, drove up demands for shipping spaces. With regard to its operations in Southeast Asia, Wan Hai Lines provided more concentrated service networks in response to market demands, by flexibly deploying vessels, changing shipping routes, entering into joint ventures and shipping space exchange co-operations to maintain its competitiveness and market shares in the Southeast Asian markets.

C. Middle East, India and Pakistan

In the first half of 2021, the covid-19 pandemic in India was seriously out of control due to variants. Fortunately the situation eased due to accelerated vaccinations, and together with the Indian government's implementation of favorable monetary and financial policies, Indian economy recovered gradually. In the second half of 2021, the demand of shipping space was very strong in India. Wan Hai Lines, apart from continued joint venture co-operations with major shipping companies in operating India-Far East routes, also flexibly deployed extra vessels to alleviate market demands for shipping spaces to provide more competitive shipping services.

D. West Coast of South America

Economic growth of Latin American countries rebounded very strongly in 2021, after a very sluggish growth in 2020 due to the pandemic. In response to the increased market demands of the South American West coast, we opened the Asian/South American West Coast (AS1), shipping route in the middle of May 2021 to provide direct shipping services from major Asian ports to the west coast of South America, to strengthen shipping route deployment between Asia and South America. Wan Hai Lines flexibly deployed suitable ship-types to meet market demands, and kept on exchanging shipping spaces with other shipping companies, while obtaining shipping spaces on the WSA Service and WSA3 Service routes so as to provide customers with more diversified shipping dates. Wan Hai Lines will continue to strengthen its competitive advantages in the direct shipping markets between Asia and South America.

E. U.S.A.

Due to high vaccination rates, the pandemic in the U.S. alleviated and domestic restrictions were lifted one after another, and people gradually returned to normal life, sparking strong consumer activities and thus high demands for shipping spaces. In response to increased demands for shipping spaces in the U.S., Wan Hai Lines expanded the scope of its Asia/U.S. West Coast shipping route in the middle of March 2021 into four shipping routes AA1, AA2, AA3 and AA5 which were operated by Wan Hai itself. Moreover it further expanded into the U.S. East Coast, by

opening a new Asia/U.S. East Coast (AA7) route in the middle of June, to provide better and more comprehensive services to its customers.

(ii) Market Outlook

Looking ahead, global economic recovery is expected to continue in 2022, but it will be a weak recovery. IMF predicts that the economic growth for 2022 will be 4.9%, slightly lower than that of 5.9% for 2021. The economies of most developed countries have recovered to pre-pandemic levels, however the economic recoveries of emerging countries are occurring at different speeds due to the fact that they acquired vaccines on different time schedules. Supply chain disruptions caused by labor shortages, material shortages and port congestions etc., following the recoveries, are now driving up labor and raw material costs, resulting in global inflation. This is testing the contingency policies of the governments, and also causing businesses to rethink about their supply chain arrangements. Future supply chains may localize and regionalize and will test the adaptability of the shipping industry. Furthermore, the future is rife with challenges and uncertainty due to the rise of climate change issues, demands for zero carbon emissions, the trend of China-U.S. relationship and whether covid-19 variants will break through the protection of existing vaccines.

Wan Hai Lines will continue its policy of stable and steady operations, and make adaptations to meet market trends. It will make cautious and comprehensive business plans, evaluate mergers and consolidations, and strictly control operational costs, to face the severe challenges of the rapidly changing markets. It will also actively abide by relevant rules and regulations regarding environment protection, and strive for sustainable development to strengthen Wan Hai Lines' brand management.

4. Operating Expenditures and Revenues

(i) Operating Revenues.

Consolidated revenues for 2021 was N.T.\$ 228,005,450,000, with an increase of N.T.\$146,125,270,000 over the 2020 revenue of N.T.\$8,180,180,000

(ii) Operating Expenditures

Consolidated expenditures for 2021 was N.T.\$93,352,850,000 with an increase of N.T.\$29,054,040,000 over the 2020 expenditure of N.T.\$ 64,298,810,000.

The main reasons are as follows:

- (i) Stevedorage and cargo charges increased due to increase in cargo.
- (ii) Average fuel price and fuel consumption increased.
- (iii) Vessel expenditures increased due to increase of vessels.

V. Analysis of Profitability

After tax net profit for 2021 was N.T.\$103,342,900,000, net profit per share was

N.T.\$42.35.

VI. General Situation of Research & Development.

In view of future challenges brought by a fickle economic climate and fierce competition in the shipping industry, Wan Hai Lines will keep on reviewing its existing shipping route planning and organization functions, and strive to become a good international corporation. It will develop in the following areas:

- (i) To develop human resources with international perspectives, strengthen capabilities to execute and consolidate organizational and management skills, so as to provide more comprehensive services to customers.
- (ii) Develop emerging markets at an opportune time and to steadily increase shipping routes to meet customer demands.
- (iii) Strictly control fuel and relevant transportation costs, flexibly deploy containers and vessels, to save energy and reduce carbon emission.
Retrofit vessels with fuel saving equipment to effectively reduce fuel consumption and waste gas emission.
- (iv) To cautiously and comprehensively plan operational policies. Our employees will uphold our consistent spirit of duty, honor and unity to create better performances.

Attachment 2-1

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, 2021 and 2020, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and 2020 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)(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.

2. Additions of Property, plant and equipment

Please refer to note(4)(l) “Property, plant and equipment” and note(6)(j) “Property, plant and equipment” .

How the matter was addressed in our audit

The total amount of the Group’ s property, plant and equipment accounts for a high proportion of the total assets, and the Group has material additions of property, plant and equipment this year. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Checking the total amount of the Company’ s Table of Additions to Table of Aggregation Changes.

Checking out the huge addition of property, plant and equipment to the relevant vouchers. Performing on-site observation and stocktaking of representative Property, plant and equipment.

Other Matter

Wan Hai Lines Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, 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 Rou-Lan Kuo and Chun Kuang Chen.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

| | 2021.12.31 | | 2020.12.31 | | | 2021.12.31 | | 2020.12.31 | |
|--|-----------------------|------------|--------------------|------------|---|----------------|-----|-------------|-----|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Assets | | | | | | | | | |
| Current assets: | | | | | | | | | |
| 1100 Cash and cash equivalents | \$ 103,001,818 | 40 | 15,765,903 | 15 | 2100 Short-term borrowings | \$ 30,000 | - | 50,000 | - |
| 1110 Current financial assets at fair value through profit or loss | 6,261,076 | 2 | 4,844,840 | 5 | 2126 Current financial liabilities for hedging | 985,592 | - | 818,459 | 1 |
| 1137 Current financial assets at amortized cost | 63,717 | - | - | - | 2170 Accounts payable | 11,378,608 | 5 | 8,386,638 | 8 |
| 1150 Notes receivable, net | 72,604 | - | 52,358 | - | 2200 Other payables | 5,973,102 | 2 | 2,994,247 | 3 |
| 1170 Accounts receivable, net | 7,356,998 | 3 | 3,589,346 | 3 | 2230 Current tax liabilities | 10,553,576 | 5 | 1,221,166 | 1 |
| 1140 Current contract assets | 7,835,522 | 3 | 1,530,849 | 1 | 2280 Current lease liabilities | 8,381,559 | 3 | 1,202,970 | 1 |
| 1200 Other receivables, net | 1,026,753 | - | 1,425,327 | 1 | 2320 Current portion of long-term loans | 8,025,040 | 3 | 7,445,416 | 7 |
| 1330 Inventories | 3,855,688 | 2 | 1,887,030 | 2 | 2350 Payables to agents | 138,137 | - | 127,385 | - |
| 1475 Receivables from agents | 1,873,574 | 1 | 1,213,957 | 1 | 2300 Other current liabilities | 2,595,117 | 1 | 2,502,981 | 2 |
| 1479 Other current assets | 1,349,828 | 1 | 1,026,960 | 1 | | 48,060,731 | 19 | 24,749,262 | 23 |
| | 132,697,578 | 52 | 31,336,570 | 29 | | | | | |
| Non-current assets: | | | | | Non-Current liabilities: | | | | |
| 1517 Non-current financial assets at fair value through other comprehensive income | 5,010,691 | 2 | 4,487,899 | 4 | 2511 Non-current financial liabilities for hedging | 2,576,487 | 1 | 2,855,649 | 3 |
| 1550 Investments accounted for using equity method, net | 1,249,446 | - | 1,178,944 | 1 | 2530 Bonds payable | 9,000,000 | 4 | 12,600,000 | 11 |
| 1600 Property, plant and equipment | 82,634,574 | 32 | 54,166,521 | 50 | 2540 Long-term borrowings | 26,296,338 | 10 | 15,785,110 | 14 |
| 1755 Right-of-use assets | 18,245,877 | 7 | 7,727,240 | 7 | 2570 Deferred tax liabilities | 19,065,776 | 7 | 4,157,326 | 4 |
| 1760 Investment property | 3,779,794 | 2 | 3,770,753 | 4 | 2580 Non-current lease liabilities | 6,323,316 | 3 | 2,854,667 | 2 |
| 1780 Intangible assets | 75,808 | - | 81,857 | - | 2640 Accrued pension liabilities non-current | 638,379 | - | 687,775 | 1 |
| 1900 Other non-current assets | 13,987,057 | 5 | 5,847,834 | 5 | 2645 Guarantee deposits received | 1,147,358 | - | 735,487 | 1 |
| | 124,983,247 | 48 | 77,261,048 | 71 | | 65,047,654 | 25 | 39,676,014 | 36 |
| | | | | | | 113,108,385 | 44 | 64,425,276 | 59 |
| | | | | | Total liabilities | | | | |
| | | | | | Equity attributable to owners of parent: | | | | |
| | | | | | Share capital: | | | | |
| | | | | | 3110 Ordinary share | 24,401,273 | 10 | 22,182,975 | 21 |
| | | | | | 3200 Capital surplus | 1,271,775 | 1 | 1,271,775 | 1 |
| | | | | | Retained earnings: | | | | |
| | | | | | 3310 Legal reserve | 8,354,970 | 3 | 7,225,691 | 7 |
| | | | | | 3320 Special reserve | 3,239,603 | 1 | 1,519,682 | 1 |
| | | | | | 3350 Retained earnings-unappropriated | 110,994,900 | 43 | 14,941,889 | 14 |
| | | | | | | 122,589,473 | 47 | 23,687,262 | 22 |
| | | | | | Other equity interest: | | | | |
| | | | | | 3411 Exchange differences on translation of foreign financial statements | (4,617,000) | (2) | (3,465,395) | (3) |
| | | | | | 3420 Unrealized gains (losses) on financial assets at fair value through other comprehensive income | 445,677 | - | 75,448 | - |
| | | | | | 3450 Gains (losses) on hedging instruments | 183,828 | - | 150,344 | - |
| | | | | | | (3,987,495) | (2) | (3,239,603) | (3) |
| | | | | | Total equity attributable to owners of parent: | 144,275,026 | 56 | 43,902,409 | 41 |
| | | | | | 36XX Non-controlling interests | 297,414 | - | 269,933 | - |
| | | | | | Total equity | 144,572,440 | 56 | 44,172,342 | 41 |
| | | | | | Total liabilities and equity | \$ 257,680,825 | 100 | 108,597,618 | 100 |
| Total assets | \$ 257,680,825 | 100 | 108,597,618 | 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, 2021 and 2020

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

| | | 2021 | | 2020 | |
|------|--|-----------------------|-----------|-------------------|-----------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue | \$ 228,005,453 | 100 | 81,880,182 | 100 |
| 5000 | Operating costs | 93,352,853 | 41 | 64,298,815 | 78 |
| | Gross profit | 134,652,600 | 59 | 17,581,367 | 22 |
| 6200 | Total administrative expenses | 6,973,835 | 3 | 4,799,709 | 6 |
| 6450 | Expected credit loss | 5,374 | - | - | - |
| | Total operating expenses | 6,979,209 | 3 | 4,799,709 | 6 |
| | Income from operations | 127,673,391 | 56 | 12,781,658 | 16 |
| | Non-operating income and expenses: | | | | |
| 7100 | Interest income | 82,315 | - | 71,877 | - |
| 7010 | Other income | 320,721 | - | 320,420 | - |
| 7020 | Other gains and losses | 1,651,628 | 1 | 1,399,993 | 2 |
| 7050 | Finance costs | (729,914) | - | (527,398) | - |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method | 196,599 | - | 203,445 | - |
| | Total non-operating income and expenses | 1,521,349 | 1 | 1,468,337 | 2 |
| 7900 | Profit before tax | 129,194,740 | 57 | 14,249,995 | 18 |
| 7950 | Less: Income tax expenses | 25,777,512 | 11 | 2,892,507 | 4 |
| | Net Profit | 103,417,228 | 46 | 11,357,488 | 14 |
| | Other comprehensive income (loss): | | | | |
| | Items that may not be reclassified subsequently to profit and loss | | | | |
| 8310 | Gains (losses) on remeasurements of defined benefit plans | (10,323) | - | (31,848) | - |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 370,229 | - | 275,824 | - |
| 8349 | Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently | 6,222 | - | 7,654 | - |
| | Total items that may not be reclassified subsequently to profit and loss | 366,128 | - | 251,630 | - |
| | Items that may be reclassified subsequently to profit or loss | | | | |
| 8360 | Exchange differences on translation | (1,169,976) | (1) | (2,128,947) | (2) |
| 8368 | Gains (losses) on hedging instrument | 33,484 | - | 116,840 | - |
| 8399 | Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss | 387 | - | 11,916 | - |
| | Total items that may be reclassified subsequently to profit and loss | (1,136,105) | (1) | (2,000,191) | (2) |
| | Other comprehensive income (net of tax) | (769,977) | (1) | (1,748,561) | (2) |
| 8500 | Total comprehensive income | \$ 102,647,251 | 45 | 9,608,927 | 12 |
| | Profit (loss), attributable to: | | | | |
| 8610 | Owners of the parent company | \$ 103,342,908 | 46 | 11,316,981 | 14 |
| 8620 | Non-controlling interests | 74,320 | - | 40,507 | - |
| | | \$ 103,417,228 | 46 | 11,357,488 | 14 |
| | Comprehensive income attributable to: | | | | |
| 8710 | Owners of the parent company | \$ 102,590,915 | 45 | 9,572,865 | 12 |
| 8720 | Non-controlling interests | 56,336 | - | 36,062 | - |
| | | \$ 102,647,251 | 45 | 9,608,927 | 12 |
| 9750 | Basic earnings per share (New Taiwan Dollar) | \$ 42.35 | | 4.64 | |
| 9850 | Diluted earnings per share (New Taiwan Dollar) | \$ 42.27 | | 4.63 | |

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company

| | Stock | | Retained Earnings | | | Foreign Currency Translation Differences Arising from Foreign Operations | Other Equity Items Unrealized Gains (losses) from financial assets measured at fair value through other comprehensive income | 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, 2020 | \$ 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 |
| Net income | - | - | - | - | 11,316,981 | - | - | - | 11,316,981 | 40,507 | 11,357,488 |
| Other comprehensive income (loss) | - | - | - | - | (24,194) | (2,112,586) | 275,824 | 116,840 | (1,744,116) | (4,445) | (1,748,561) |
| Total comprehensive income (loss) | - | - | - | - | 11,292,787 | (2,112,586) | 275,824 | 116,840 | 9,572,865 | 36,062 | 9,608,927 |
| Appropriation of retained earnings: | | | | | | | | | | | |
| Legal reserve | - | - | 356,208 | - | (356,208) | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | 708,982 | (708,982) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (1,774,638) | - | - | - | (1,774,638) | - | (1,774,638) |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | (10,412) | (10,412) |
| Balance at 2020.12.31 | 22,182,975 | 1,271,775 | 7,225,691 | 1,519,682 | 14,941,889 | (3,465,395) | 75,448 | 150,344 | 43,902,409 | 269,933 | 44,172,342 |
| Net income | - | - | - | - | 103,342,908 | - | - | - | 103,342,908 | 74,320 | 103,417,228 |
| Other comprehensive income (loss) | - | - | - | - | (4,101) | (1,151,605) | 370,229 | 33,484 | (751,993) | (17,984) | (769,977) |
| Total comprehensive income (loss) | - | - | - | - | 103,338,807 | (1,151,605) | 370,229 | 33,484 | 102,590,915 | 56,336 | 102,647,251 |
| Appropriation of retained earnings: | | | | | | | | | | | |
| Legal reserve | - | - | 1,129,279 | - | (1,129,279) | - | - | - | - | - | - |
| Special reserve appropriated | - | - | - | 1,719,921 | (1,719,921) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (2,218,298) | - | - | - | (2,218,298) | - | (2,218,298) |
| Stock dividends of ordinary share | 2,218,298 | - | - | - | (2,218,298) | - | - | - | - | - | - |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | (28,855) | (28,855) |
| Balance at December 31, 2021 | \$ 24,401,273 | 1,271,775 | 8,354,970 | 3,239,603 | 110,994,900 | (4,617,000) | 445,677 | 183,828 | 144,275,026 | 297,414 | 144,572,440 |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

| | 2021 | 2020 |
|---|-----------------------|---------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before income tax | \$ 129,194,740 | 14,249,995 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 13,784,877 | 5,768,605 |
| Amortization expense | 56,402 | 67,986 |
| Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense | 5,374 | - |
| Net (gain) loss on financial assets at fair value through profit or loss | (1,274,831) | (783,642) |
| Interest expense | 729,914 | 527,398 |
| Interest revenue | (82,315) | (71,877) |
| Dividend income | (319,224) | (320,420) |
| Share of income of associates and joint ventures accounted for using equity method | (196,599) | (203,445) |
| Gain on disposal of property, plant and equipment | (240,440) | (208,852) |
| Loss (gain) on unrealized foreign exchange gain | 82,967 | (403,295) |
| Others | (5,451) | (1,269) |
| Total adjustments to reconcile profit (loss) | <u>12,540,674</u> | <u>4,371,189</u> |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Financial assets at fair value through profit or loss, mandatorily measured at fair value | (141,405) | 8,039 |
| Contract assets | (6,304,673) | (797,160) |
| Notes receivable | (20,246) | (12,623) |
| Accounts receivable (including related parties) | (3,773,026) | (1,382,571) |
| Other receivables | 396,572 | (243,992) |
| Inventories | (1,968,658) | 109,423 |
| Receivables from agents | (659,617) | (274,877) |
| Other current assets | (242,861) | (222,886) |
| Total changes in operating assets, net | <u>(12,713,914)</u> | <u>(2,816,647)</u> |
| Changes in operating liabilities, net: | | |
| Accounts payable (including related parties) | 2,991,970 | 262,259 |
| Other payables | 1,987,966 | 781,973 |
| Payables to agents | 10,752 | 114,822 |
| Other current liabilities | 91,204 | 858,825 |
| Accrued pension liabilities | (59,719) | (47,497) |
| Total changes in operating liabilities, net | <u>5,022,173</u> | <u>1,970,382</u> |
| Total changes in operating assets and liabilities | <u>(7,691,741)</u> | <u>(846,265)</u> |
| Total adjustments | <u>4,848,933</u> | <u>3,524,924</u> |
| Cash inflow generated from operations | 134,043,673 | 17,774,919 |
| Income taxes paid | (1,437,141) | (207,890) |
| Net cash provided by operating activities | <u>132,606,532</u> | <u>17,567,029</u> |
| Cash flows from investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | (163,017) | (548,058) |
| Acquisition of financial assets at amortized cost | (63,717) | - |
| Acquisition of investments accounted for using equity method | - | (385) |
| Acquisition of property, plant and equipment | (34,338,701) | (17,235,041) |
| Proceeds from disposal of property, plant and equipment | 334,132 | 342,340 |
| Acquisition of intangible assets | (49,842) | (22,888) |
| Acquisition of investment property | (45,332) | (2,071,850) |
| Other non-current assets | (8,384,486) | (1,626,584) |
| Interest received | 80,193 | 77,575 |
| Dividends received | 443,620 | 439,723 |
| Net cash used in investing activities | <u>(42,187,150)</u> | <u>(20,645,168)</u> |
| Cash flows from financing activities: | | |
| Increase in short-term loans | (20,000) | (20,000) |
| Proceeds from issuing bonds | - | 2,500,000 |
| Repayments of bonds | (3,800,000) | - |
| Proceeds from long-term loans | 18,267,783 | 12,463,723 |
| Repayment of long-term loans | (6,307,447) | (8,027,117) |
| Guarantee deposits received | 412,802 | 150,430 |
| Payments of lease liabilities | (7,339,116) | (998,801) |
| Cash dividends paid | (2,218,298) | (1,774,638) |
| Interest paid | (733,225) | (557,631) |
| Change in non-controlling interests | (28,855) | (10,412) |
| Net cash used in financing activities | <u>(1,766,356)</u> | <u>3,725,554</u> |
| Foreign exchange rate effects | <u>(1,417,111)</u> | <u>(360,972)</u> |
| Net increase in cash and cash equivalents | <u>87,235,915</u> | <u>286,443</u> |
| Cash and cash equivalents, beginning of period | <u>15,765,903</u> | <u>15,479,460</u> |
| Cash and cash equivalents, end of period | <u>\$ 103,001,818</u> | <u>15,765,903</u> |

Attachment 2-2

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, 2021 and 2020, 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, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020 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)(u) “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. Additions of Property, plant and equipment

Please refer to note(4)(k) “Property, plant and equipment” and note(6)(i) “Property, plant and equipment” .

How the matter was addressed in our audit

The total amount of the Company’ s property, plant and equipment accounts for a high proportion of the total assets, and the Company has material additions of property, plant and equipment this year. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Checking the total amount of the Company’ s Table of Additions to Table of Aggregation Changes.

Checking out the huge addition of property, plant and equipment to the relevant vouchers. Performing on-site observation and stocktaking of representative property, plant and equipment.

Responsibilities of Management and Those Charged with Governance for the 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 statement. 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 Rou-Lan, Kuo and Cheng-Chien Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2022

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

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

| | 2021 | | 2020 | | |
|------|---|-----------------------|-----------|------------------|-----------|
| | Amount | % | Amount | % | |
| 4000 | Operating revenue | \$ 116,005,228 | 100 | 61,915,516 | 100 |
| 5000 | Operating costs | 57,216,967 | 49 | 52,728,111 | 85 |
| | Gross profit | 58,788,261 | 51 | 9,187,405 | 15 |
| 6200 | Total administrative expenses | 4,073,299 | 4 | 2,653,366 | 4 |
| 6450 | Expected credit loss (gain)(note(6)(f)) | 1,325 | - | - | - |
| | Non-operating income and expenses : | 4,074,624 | 4 | 2,653,366 | 4 |
| | Total operating expenses | 54,713,637 | 47 | 6,534,039 | 11 |
| | Income from operations | | | | |
| 7100 | Interest income | 53,261 | - | 73,000 | - |
| 7010 | Other income | 284,012 | - | 284,984 | - |
| 7020 | Other gains and losses | 1,518,633 | 1 | 1,527,174 | 2 |
| 7050 | Finance costs | (1,995,956) | (2) | (1,601,126) | (2) |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method | 74,112,292 | 64 | 7,256,367 | 12 |
| | Total non-operating income and expenses | 73,972,242 | 63 | 7,540,399 | 12 |
| 7900 | Profit before tax | 128,685,879 | 110 | 14,074,438 | 23 |
| 7950 | Less: Income tax expenses | 25,342,971 | 22 | 2,757,457 | 5 |
| | Net Profit | 103,342,908 | 88 | 11,316,981 | 18 |
| 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 | (31,109) | - | (38,268) | - |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 301,470 | - | 98,056 | - |
| 8331 | Gains (losses) on the remeasurements of defined benefit plans, subsidiaries, associates and joint ventures accounted for using equity method | 20,786 | - | 6,420 | - |
| 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 | 68,759 | - | 177,768 | - |
| 8349 | Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently | 6,222 | - | 7,654 | - |
| | Total items that may not be reclassified subsequently to profit and loss | 366,128 | - | 251,630 | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences on translation | (1,151,992) | (1) | (2,124,502) | (3) |
| 8368 | Gains (losses) on hedging instrument | 33,484 | - | 116,840 | - |
| 8399 | Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss | 387 | - | 11,916 | - |
| | Total items that may be reclassified subsequently to profit and loss | (1,118,121) | (1) | (1,995,746) | (3) |
| 8300 | Other comprehensive income (net of tax) | (751,993) | (1) | (1,744,116) | (3) |
| | Total comprehensive income | \$ 102,590,915 | 87 | 9,572,865 | 15 |
| | Basic earnings per share (New Taiwan Dollars) | \$ 42.35 | | 4.64 | |
| | Diluted earnings per share (New Taiwan Dollars) | \$ 42.27 | | 4.63 | |

(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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

| | Stock | | Retained Earnings | | | Other Equity Items | | | | Total |
|---|----------------------|------------------|-------------------|------------------|------------------------------------|--|---|---------------------------------------|--------------------|-------|
| | Common Stock | Capital Surplus | Legal reserve | Special reserve | Retained Earnings - Unappropriated | 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 | Gains (losses) on hedging instruments | | |
| Balance at January 1, 2020 | \$ 22,182,975 | 1,271,775 | 6,869,483 | 810,700 | 6,488,930 | (1,352,809) | (200,376) | 33,504 | 36,104,182 | |
| Net profit | - | - | - | - | 11,316,981 | - | - | - | 11,316,981 | |
| Other comprehensive income | - | - | - | - | (24,194) | (2,112,586) | 275,824 | 116,840 | (1,744,116) | |
| Total comprehensive income (loss) | - | - | - | - | 11,292,787 | (2,112,586) | 275,824 | 116,840 | 9,572,865 | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 356,208 | - | (356,208) | - | - | - | - | |
| Cash dividends | - | - | - | 708,982 | (708,982) | - | - | - | - | |
| Reversal of special reserve | - | - | - | - | (1,774,638) | - | - | - | (1,774,638) | |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 22,182,975 | 1,271,775 | 7,225,691 | 1,519,682 | 14,941,889 | (3,465,395) | 75,448 | 150,344 | 43,902,409 | |
| Balance at 2020.12.31 | - | - | - | - | 103,342,908 | - | - | - | 103,342,908 | |
| Net profit | - | - | - | - | (4,101) | (1,151,605) | 370,229 | 33,484 | (751,993) | |
| Other comprehensive income | - | - | - | - | 103,338,807 | (1,151,605) | 370,229 | 33,484 | 102,590,915 | |
| Total comprehensive income (loss) | | | | | | | | | | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 1,129,279 | - | (1,129,279) | - | - | - | - | |
| Special reserve appropriated | - | - | - | 1,719,921 | (1,719,921) | - | - | - | - | |
| Cash dividends | 2,218,298 | - | - | - | (2,218,298) | - | - | - | - | |
| Balance at December 31, 2021 | \$ 24,401,273 | 1,271,775 | 8,354,970 | 3,239,603 | 110,994,900 | (4,617,000) | 445,677 | 183,828 | 144,275,026 | |

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

| | 2021 | 2020 |
|---|--------------------------|-------------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before income tax | \$ 128,685,879 | 14,074,438 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 12,232,409 | 8,134,102 |
| Amortization expense | 55,731 | 67,247 |
| Net (gain) loss on financial assets at fair value through profit or loss | 1,325 | - |
| Interest expense | (1,274,831) | (783,642) |
| Interest revenue | 1,995,956 | 1,601,126 |
| Dividend income | (53,261) | (73,000) |
| Investment income under the equity method | (282,715) | (284,984) |
| Gain on disposal of property, plant and equipment | (74,112,292) | (7,256,367) |
| Gain on unrealized foreign exchange | (43,567) | (139,379) |
| Gain on lease modification | 82,967 | (403,295) |
| Others | (385,782) | (196,596) |
| Total adjustments to reconcile profit (loss) | <u>(154,861)</u> | <u>5,093</u> |
| Changes in operating assets and liabilities: | <u>(61,938,921)</u> | <u>670,305</u> |
| Changes in operating assets: | | |
| Decrease (increase) in contract assets | | |
| Notes receivable | (6,304,673) | (797,160) |
| Accounts receivable (including related parties) | (19,999) | (10,242) |
| Other receivables | (676,691) | (641,967) |
| Inventories | (544,798) | (112,564) |
| Receivables from agents | 360,752 | 246,003 |
| Other current assets | (1,629,828) | (929,544) |
| Financial assets at fair value through profit or loss, mandatorily measured at fair value | (188,167) | 5,071 |
| Total changes in operating assets, net | <u>(141,405)</u> | <u>8,039</u> |
| Changes in operating liabilities, net: | <u>(9,144,809)</u> | <u>(2,232,364)</u> |
| Accounts payable (including related parties) | | |
| Other payables | 6,656,344 | 1,157,952 |
| Payables to agents | 1,051,601 | 414,224 |
| Other current liabilities | 127,532 | 180,550 |
| Accrued pension liabilities | 21,880 | (22,705) |
| Total changes in operating liabilities, net | <u>(68,853)</u> | <u>(64,113)</u> |
| Total changes in operating assets and liabilities | <u>7,788,504</u> | <u>1,665,908</u> |
| Total adjustments | <u>(1,356,305)</u> | <u>(566,456)</u> |
| Cash inflow generated from operations | <u>(63,295,226)</u> | <u>103,849</u> |
| Income taxes paid | 65,390,653 | 14,178,287 |
| Net cash provided by operating activities | <u>(1,085,566)</u> | <u>(116,407)</u> |
| Cash flows from investing activities: | <u>64,305,087</u> | <u>14,061,880</u> |
| Acquisition of financial assets at fair value through other comprehensive income | | |
| Acquisition of property, plant and equipment | (163,017) | (546,916) |
| Proceeds from disposal of property, plant and equipment | (63,717) | - |
| Decrease in other receivables due from related parties | (14,338,740) | (5,022,920) |
| Acquisition of intangible assets | 97,189 | 194,288 |
| Acquisition of investment property | (2,784,560) | (4,636,500) |
| Other non-current assets | (48,882) | (21,757) |
| Interest received | (35,687) | (2,068,722) |
| Dividends received | (2,035,846) | (230,904) |
| Net cash used in investing activities | <u>52,161</u> | <u>77,968</u> |
| Cash flows from financing activities: | <u>368,323</u> | <u>371,999</u> |
| Proceeds from issuing bonds | (18,952,776) | (11,883,464) |
| Repayments of bonds | | |
| Proceeds from long-term loans | - | 2,500,000 |
| Repayment of long-term loans | (3,800,000) | - |
| Guarantee deposit | 7,887,815 | 9,650,640 |
| Cash dividends paid | (5,053,769) | (7,250,083) |
| Lease repayments- principal portions | 185 | 14,098 |
| Interest paid | (2,218,298) | (1,774,638) |
| Net cash used in financing activities | <u>(8,591,167)</u> | <u>(5,468,600)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(2,016,498)</u> | <u>(1,623,145)</u> |
| Cash and cash equivalents at beginning of period | <u>(13,791,732)</u> | <u>(3,951,728)</u> |
| Cash and cash equivalents at end of period | <u>31,560,579</u> | <u>(1,773,312)</u> |
| | <u>8,553,009</u> | <u>10,326,321</u> |
| \$ | <u>40,113,588</u> | <u>8,553,009</u> |

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 2021. Of which, the Company's consolidated financial statements for 2021 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 2022

WAN HAI LINES LTD.

Chairman of the Audit Committee: RUNG-NIAN LAI

March 15, 2022

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 2021. Of which, the Company's financial statements for 2021 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 2022

WAN HAI LINES LTD.

Chairman of the Audit Committee: RUNG-NIAN LAI

March 15, 2022

Attachment 4

WAN HAI LINES LTD.
2021 Earnings Appropriation

Unit: NTD

| Item | Total |
|--|------------------|
| Undistributed earnings for beginning of period | 7,656,094,435 |
| Added : Post-tax net income | 103,342,908,028 |
| Subtracted: | |
| Other consolidated income (the re-measurement of defined benefit obligation, 2021) | (4,102,069) |
| Subtracted: Provided for legal reserve | (10,333,880,596) |
| Subtracted : In accordance with legal provisions special reserve | (747,892,105) |
| Earnings available for distribution | 99,913,127,693 |
| Subtracted: items to be appropriated (Note 1) | |
| Cash dividends to shareholders (NT\$10.5 per share) | (25,621,335,726) |
| Stock dividends to shareholders (NT\$1.5 per share) | (3,660,190,810) |
| Undistributed earnings for end of period | 70,631,601,157 |

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 2020 available for distribution in 2021.

Wan Hai Lines Ltd.
Codes of Practice for Sustainable Development

Chapter One: General Rules

Article 1

These codes of practice are set up to promote the implementation of corporate social responsibilities, sustainable corporate development, sustainable environment protection, social good and corporate governance etc. They are to be abided by the management and all employees to manage the impact of business activities on the economy, environment and social risks.

Article 2

The scope of these codes shall cover all business activities of the company (including branches and subsidiaries). The company shall, while conducting business, actively implement sustainable corporate development so as to be in line with international development trends. The company shall also in its capacity as a corporate citizen, contribute to the national economy, improve the quality of life of employees, communities and societies; and to achieve competitive advantages based on sustainable corporate development.

Article 3

The company shall take both the stakeholders' expectations and rights into consideration, and shall communicate with stakeholders through publication of reports, so it shall assess the needs and expectations of stakeholders that it may contact or influence. While pursuing sustainable operations and profits, the company shall also value factors such as environment protection, social and company governance, and include them in the company's management policies and business activities.

The company shall, in accordance with the materiality principle, conduct risk evaluations of environmental, social and governance issues related to its business operations, and shall set relevant risk management policies or strategies.

Article 4

The company shall implement sustainable corporate developments in accordance with the following principles:

1. To implement company governance.
2. To develop sustainable environments.

3. To maintain social good.
4. To be attentive to employees.
5. To improve customer services.
6. To enhance management of suppliers.
7. To disclose information regarding sustainable corporate development.

Article 5

The company shall, after contemplating the connection between its core business and the sustainable corporate development trends of other international and domestic corporations, and the impact of the company's (including branches and subsidiaries) overall business activities on its stakeholders, set sustainable corporate development policies, systems, management and promotion plans. These shall be submitted to the highest level management for approval.

Chapter Two: Implementation of Corporate Governance

Article 6

The company shall establish an effective governance framework and set relevant moral standards, for sound governance of the company.

Article 7

The company shall assume duty of care in supervising and promoting sustainable development, and shall from time to time, review the results and continue to improve, to ensure sustainable corporate development targets are achieved.

The company shall adequately consider the following interests of its stakeholders, when implementing sustainable corporate developments.

- i. To propose the mission or prospect of the sustainable corporate development, and to set policies, systems, or relevant management plans.
- ii. To include sustainable corporate development in the company's business operations and development policies, and set plans for concrete implementation of the sustainable corporate development.
- iii. To ensure timely and correct disclosure of information relating to sustainable corporate developments.

The management shall collect and compile economic, environmental and social issues generated by the company's business activities, and shall report how they are handled to the board of directors. The workflow and the relevant persons in charge should be clearly stated.

Article 8

The company shall provide educational training regarding the implementation of sustainable corporate development, including Paragraph 2, Article 7, when necessary.

Article 9

For sound management of sustainable corporate development, the company shall set up a department for promoting sustainable corporate development, which will be responsible for sustainable corporate development policies, systems, and management. It will also submit promotion plans and execute them, and regularly report to the board of directors.

The company should set reasonable salary and remuneration policies, to ensure remuneration plans are in line with organizational strategy goals, and the interest of stakeholders.

The employee performance review system should be merged with the sustainable corporate development policies, and shall set up an explicit and effective reward and punishment system.

Article 10

The company respects the interests of stakeholders, apart from identifying stakeholders of the company; it will also set aside a dedicated area for stakeholders on its website. The company will try to understand the reasonable expectations and needs of stakeholders through suitable communication methods, and will respond to the sustainable corporate development issues concerned by them.

Chapter Three: Development of Sustainable Environment

Article 11

The company shall comply with rules and regulations and international guidelines regarding the environment, and will protect the natural environment properly. When engaging in business activities and internal management, it will try to reach the goal of environmental sustainability.

Article 12

The company shall be committed to raising the efficiency of using resources, and shall use recycled resources which have lower impact on the environment, so as to make earth resources sustainable.

Article 13

The company shall set up a suitable environment management system in accordance with the characteristics of the shipping industry, the system shall include the following:

- i. Collect and evaluate timely and sufficient information regarding the impact of business activities on the natural environment.
- ii. Set a measurable environmental sustainability goal, and review it regularly.
- iii. Take measures such as making concrete action plans, and review the results regularly.

Article 14

The company may set up a department or designate employees to make, promote and maintain relevant environment management systems and concrete action plans, and to provide regular education courses on the environment.

Article 15

The company shall consider the impact of shipping on eco-efficiency and promote sustainable consumption concepts. The company shall plan, purchase, operate and provide services according to the following principles, to lower the impact of business operations on the natural environment and humankind.

- i. Reduce services that consume too much resources and energy.
- ii. Reduce emission and discharge of pollutants, toxic materials and waste, and dispose of waste properly.
- iii. Make renewable resources achieve maximum sustainable usage.
- iv. Extend the durability of operational assets.
- v. Increase efficiency of services.
- vi.

Article 16

The company shall optimize environment protection facilities to avoid contaminating water, air and land. Do the best to reduce harmful impact to human health and the environment, and adopt the best feasible pollution prevention and control measures.

Article 17

The company shall evaluate potential corporate risks and opportunities brought by climate changes, and take responsive measures to counter the impact of climate changes on business activities. Make energy saving/carbon reduction, green house gases reduction, reduction of water usage and waste management policies according to the situation of operations. The company should compile statistics of the

quantities of greenhouse gases emission, water usage and waste, and make energy saving/carbon reduction, green house gases reduction, reduction of water usage and waste management policies accordingly, to lower the impact of business operations on climate change.

Chapter Four: Maintaining Social Good

Article 18

The company shall evaluate the impact of its business operations on the community, and shall appropriately employ local people to further identify with the community.

The company shall promote community development by means of equity investments, commercial activities, in-kind donations, corporate volunteers or other public benefit services. The company shall also invest resources in organizations that solve social or environmental problems by commercial models; civic organizations that participate in community development or community education; charity groups and local governments.

Chapter Five: Employee Care

Article 19

The company should, with regard to human rights, comply with relevant rules and regulations and international human rights conventions, such as gender equality, right to work and anti-discrimination etc.

To perform its duties to protect human rights, the company should establish policies and procedures governing business activities and internal management, and in the event of violation of human rights, handling procedures should be disclosed to interested parties.

The company should observe internationally recognized labor rights, such as freedom of association, collective bargaining rights, caring for underprivileged groups, prohibition of child labor, elimination of all forms of forced labor and elimination of employment discrimination etc. It should also ensure that its human resource policies are free from gender, race, social and economic status, age, marital and family status discrimination, so that fairness and equality in employment, employment terms, salaries, welfare, training, performance reviews and promotion opportunities can be implemented. In the event of violation of labor rights, the company should provide effective and suitable complaint mechanisms and ensure that the complaint procedures are fair and transparent. The complaint channels should be simple, clear, convenient and unimpeded. The company should respond to employees' complaints properly.

Article 20

The company should provide employees with suitable information, so that they understand the labor laws and their rights in the countries they work in.

Article 21

The company shall provide employees with safe and healthy working environments, including providing necessary health and first-aid facilities, so as to lower risk factors to the safety and health of employees, which in turn will prevent occupational hazards.

The company should provide regular safety and health educational trainings.

Article 22

The company should create favorable environments for employees' career development and provide effective training courses in career skills. The company should also set and implement reasonable employee benefit measures (including salaries and remunerations, vacations and other benefits). Its remuneration policies should properly reflect the operational performances or results, to ensure human resources recruitment, and retaining and encouraging employees all reach their sustainability goals.

Article 23

The company shall establish regular or ad hoc channels for communications and dialogues with employees, to allow employees the rights to obtain information and voice their opinions with regard to operational and managerial decisions of the company.

The company should respect employee representatives' rights to negotiate working conditions. The company shall also provide employees with necessary information and hardware to promote negotiations and co-operations among the employer, employees and employee representatives.

The company should inform employees in a reasonable manner, of any operational changes that may have substantial impact on them.

Chapter Six: Improving Customer Services

Article 24

The company shall be accountable for services provided, and shall value marketing ethics. It shall encompass its planning, procurement, operation and service flow and transparency and safety of service information in its business and operational activities, to avoid damages to the consumers' rights and safety.

Article 24-1

When facing customers, the company shall select fair and reasonable methods to set execution strategies and concrete execution measures in consideration of types of services and the industrial standards.

Examples of fair and reasonable methods are as follows:

- i. Agreements shall be made in a mutually beneficial and fair and honest manner.
- ii. The company shall exert due diligence and obligations to consignments of customers.

Article 25

The company shall ensure quality of services in compliance with government rules and regulations and industry standards.

The company shall comply with relevant rules and regulations and international norms, with regard to the health and safety and privacy of customers and its marketing and labeling. The company shall not behave in deceitful, misleading, fraudulent manners, or in any other way detrimental to the trust and rights of consumers.

Article 26

The company shall perform timely evaluations of risks that may disrupt its operations, to lower their impact on consumers and the society.

The company should provide transparent and effective consumer complaint channels, and shall fairly and immediately process such complaints. The company shall comply with the Personal Data Protection Law and relevant rules and regulations, to ensure respect for the rights of privacy of consumers and to protect personal data provided by them.

Chapter Seven: Strengthen Management of Suppliers

Article 27

The company shall evaluate the social and environmental impact of procurement on the source communities, and shall, in conjunction with suppliers, strive for sustainable corporate development.

The company shall set supplier management policies and demand its supplier to comply with relevant rules and regulations with regard to environment protection, occupational safety and health, labor rights and other issues. The company shall check whether a supplier has social and environmental violation records, to avoid transactions with someone in contradiction with the company's sustainable

corporation policies.

Agreements signed by the company and its major suppliers, shall stipulate that both parties comply with each other's sustainable corporate development policies. The agreements shall also contain clauses stipulating that if the supplier is violating such policies, or when the supplier is causing apparent environmental and social impacts on the source communities, the company may terminate or dissolve the agreement at any time.

Chapter Eight: Disclosure of Sustainable Corporate Development Information

Article 28

The company shall make its information public in accordance with relevant rules and regulations and the codes of practice of governance of the company, and sufficiently disclose key and reliable information regarding its sustainable corporate development so as to raise transparency of information.

The company shall disclose the following sustainable corporate development information:

- i. Information regarding sustainable corporate development policies, systems, management policies and concrete promotion plans resolved by the company.
- ii. Risks and impacts to the operations and financial status of the company, generated by implementation of company governance, development of sustainable environment and maintaining social good etc.
- iii. Goals, measures and performances for sustainable corporate development drafted by the company.
- iv. Major stakeholders and their issues of concern.
- v. Major suppliers' disclosure of information regarding their management of substantial environmental and social issues and results thereof.
- vi. Other relevant information regarding sustainable corporate development.

Article 29

The company's sustainable corporate development reports shall be made in accordance with internationally recognized standards or guidelines, to disclose sustainable corporate development situations so as to raise reliability of the information. Contents of the reports shall include the following:

- i. Implementation of sustainable corporate development policies,

systems or relevant management policies and concrete promotion plans.

- ii. Major stakeholders and their issues of concern.
- iii. Performances and reviews of the company's implementation of company governance, development of sustainable environment, maintaining social good and promotion of economic developments.
- iv. Directions and goals of future improvements.

Chapter Nine: Supplementary Articles

Article 30

The company shall, from time to time, pay attention to the status quo of sustainable corporate developments of other domestic and international corporations and changes in the corporate environments, and review and improve various systems of the company accordingly, so as to improve performances in implementing sustainable corporate developments.

Article 31

This Code has been approved by the board of directors and authorized the general manager to implement it, and the same applies to subsequent amendments. This

This Code was made on November 11, 2015

This Code was revised on May 11, 2017

This Code was revised on May 06, 2020

This Code was revised on December 10, 2021

Attachment 6

Comparison Table: Amendments to Memorandum of Association

| Clause after amendment | Clause before amendment | Reason for amendment |
|--|---|---|
| <p>Article 6 Shareholders' Meeting</p> <p>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.</p> <p><u>II Accommodate video conferences and other means of holding shareholders' meetings as stipulated by competent authorities.</u></p> <p><u>III</u> 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.</p> <p><u>IV</u> 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.</p> <p><u>V</u> 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.</p> <p><u>VI</u> <u>When a shareholders meeting is held, if it is a video conference, shareholders who participate in the meeting by video are deemed to be present in person.</u></p> <p><u>VII</u> Each share of the Company held by a shareholder counts as one vote.</p> | <p>Article 6 Shareholders' Meeting</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>V Each share of the Company held by a shareholder counts as one vote.</p> | <p>Amended section 2 and 6; section 3 to 5 and 7 in accordance with Article 172-2 of the Company Act.</p> |
| <p>Article 14: This Memorandum of Association was created on 6 January 1965. The 1st amendment was made on 31 Mar. 1966. -----omitted----- The 41st Amendment was made on 2 July 2021.</p> | <p>Article 14: This Memorandum of Association was created on 6 January 1965. The 1st amendment was made on 31 Mar. 1966. -----omitted----- The 41st Amendment was made on 2 July 2021.</p> | <p>The date of amendment was revised.</p> |

| Clause after amendment | Clause before amendment | Reason for amendment |
|---|--------------------------------|-----------------------------|
| The 42 nd amendment was made on 26 May 2022. | | |

Attachment 7

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

| After amendment | Before amendment | Reason for Amendment |
|--|--|--|
| <p>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. When the shareholders' meeting is held, it can be held <u>by video conference or other methods announced by the central competent authority. The operating procedures and other matters to be followed shall be handled in accordance with the regulations of the competent authority.</u> When a shareholders meeting is held, if it is a video conference, shareholders who participate in the meeting by video are deemed to be present in person.</p> | <p>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.</p> | <p>Amended section 2, 3 in accordance with Article 172-2 of the Company Act.</p> |
| <p>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. The 8th amendment was made on 23 June 2020. The 9th amendment was made on 20 July 2021. <u>The 10th amendment was made on 26 May 2022.</u></p> | <p>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. The 8th amendment was made on 23 June 2020. The 9th amendment was made on 20 July 2021.</p> | <p>Update the date of the amendment.</p> |

Comparison Table of Amendments to the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its Subsidiaries

| Clause after Amendments | Clause before Amendments | Reason for Amendments |
|--|---|--|
| <p>Article 5: In addition to legal orders or the special provisions, the procedures for acquisition or disposal of assets by the Company from or to a related party shall be conducted in accordance with following procedures:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) -----omitted----- (2) -----omitted----- (3) Where any one of the following circumstances applies with respect to the appraisal results of professional appraisal reports, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount. B. The discrepancy between the appraisal results by at least 2 professional appraisers reaches 10% or more of the transaction amount.</p> <p>(4) -----omitted-----</p> <p>2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public</p> | <p>Article 5: In addition to legal orders or the special provisions, the procedures for acquisition or disposal of assets by the Company from or to a related party shall be conducted in accordance with following procedures:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) -----omitted----- (2) -----omitted----- (3) Where any one of the following circumstances applies with respect to the appraisal results of professional appraisal reports, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 71 published by the ROC Accounting Research and Development Foundation (hereinafter abbreviated as "ARDF")</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount. B. The discrepancy between the appraisal results by at least 2 professional appraisers reaches 10% or more of the transaction amount.</p> <p>(4) -----omitted-----</p> <p>2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public</p> | <p>1. According to "Article 5 of the Guidelines for the Handling of Assets Acquired or Disposed by Public Issuing Companies and Article 8, Paragraph 2" of the new amendments to this operating procedure, the opinions issued by external experts should follow the self-discipline norms of the trade associations to which they belong. To remove some words.</p> |

| Clause after Amendments | Clause before Amendments | Reason for Amendments |
|---|---|--|
| <p>accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, the provisions shall not apply if there are publicly quoted prices of such securities in an active market or where otherwise provided by regulations of the Financial Supervisory Commission ("FSC").</p> <p>3. Except for transactions with domestic government institutions, if the Company's acquisition or disposal of intangible assets, right-of-use assets or membership reaches 20 percent of the Company's paid-in capital or NT\$300 million, prior to the date of the event, the opinion of a rational transaction price shall be sought from a Certified Public Accountant.</p> <p>4. -----omitted-----</p> | <p>accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 71 published by the ARDF.</u> However, the provisions shall not apply if there are publicly quoted prices of such securities in an active market or where otherwise provided by regulations of the Financial Supervisory Commission ("FSC").</p> <p>3. Except for transactions with domestic government institutions, if the Company's acquisition or disposal of intangible assets, right-of-use assets or membership reaches 20 percent of the Company's paid-in capital or NT\$300 million, prior to the date of the event, the opinion of a rational transaction price shall be sought from a Certified Public Accountant; <u>this Certified Public Accountant shall handle the matter in accordance with the provision of Auditing Standard No. 71 published by the ARDF.</u></p> <p>4. -----omitted-----</p> | |
| <p>Article 6: The Company engages in any acquisition or disposal of assets from or to a related party, shall be conducted in accordance with following procedures: 1.-----omitted----- 2. When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except for trading domestic government bonds or bonds with repurchase or reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved with the consent of one-half or more of the entire membership of the Audit Committee, and submitted to and resolved by the board of directors. Any matter that has not been approved with the</p> | <p>Article 6: The Company engages in any acquisition or disposal of assets from or to a related party, shall be conducted in accordance with following procedures: 1.-----omitted----- 2. When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except for trading domestic government bonds or bonds with repurchase or reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved with the consent of one-half or more of the entire membership of the Audit Committee, and submitted to and resolved by the board of directors. Any matter that has not been approved with the</p> | <p>1. Item 3 of this article is added in accordance with Item 3 of Article 15 of the "Guidelines for the Handling of Assets Acquired or Disposed by Public Companies". 2. In order to strengthen the management of related party transactions, and to protect the rights of minority shareholders of public offering companies to express their opinions on the transactions between the</p> |

| Clause after Amendments | Clause before Amendments | Reason for Amendments |
|---|---|---|
| <p>consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.</p> <p>(1) -----omitted----- (2) -----omitted----- (3) -----omitted----- (4) -----omitted----- (5) -----omitted----- (6) -----omitted----- (7) -----omitted-----</p> <p>With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 6 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquires or disposes of assets of the right to use equipment for business use, but if it is necessary for fleet scheduling, the authorized amount may be increased to NT\$30 billion. (2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>In accordance with the provisions of Paragraph 1, when submitting acquisitions or disposals of assets to the board of directors for discussions, opinions of independent directors should be adequately considered, and if they have oppositions or reservations, the same should be entered into the minutes of the board meetings.</u></p> <p><u>When the company or a subsidiary of the company not publicly traded in Taiwan enters into a transaction stipulated in Paragraph 1, if the total amount exceeds 10% of the total assets of the company, the company should submit all relevant information to the shareholders meeting for approval, before signing contracts and making payments.</u></p> <p><u>However the above does not apply for transactions between the company and its subsidiary and among its subsidiaries.</u></p> | <p>consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes. <u>The calculation of the transaction amounts shall be made in accordance with Article 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</u></p> <p>(1) -----omitted----- (2) -----omitted----- (3) -----omitted----- (4) -----omitted----- (5) -----omitted----- (6) -----omitted----- (7) -----omitted-----</p> <p>With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 6 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquires or disposes of assets of the right to use equipment for business use, but if it is necessary for fleet scheduling, the authorized amount may be increased to \$30 billion. (2) Acquisition or disposal of real property right-of-use assets held for business use.</p> | <p>company and related parties, Paragraph 4 of Article 15, Paragraph 5 of the "Guidelines for the Handling of Assets Acquired or Disposal by Public Issuance Companies" is added. It is stipulated that the public company and its subsidiary companies should submit the shareholders' approval in advance when conducting significant related party transactions. Taking into account the overall business planning needs of the company and its subsidiaries, or between subsidiaries, the proviso will relax the resolution of the shareholders' meeting for transactions between these companies.</p> <p>3. The last paragraph of the first item move to the fifth item, and include the fourth into the scope of application.</p> |

| Clause after Amendments | Clause before Amendments | Reason for Amendments |
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| <p>Calculations of the transaction amounts should be made in accordance with the provisions of Paragraph 2, Article 10, and the criteria for “within one year” shall be one year backdate the date of the actual transaction. Portions already submitted to and approved by the shareholders meetings and the board of directors according to these procedures are excluded.</p> | | |
| <p>Article 8: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. -----omitted----- 2. -----omitted----- 3. -----omitted-----</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline regulations of their respective trade associations and the following matters:</u> 1. -----omitted----- 2. When <u>implement</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriateness</u> and reasonable and accurate, and that they have complied with applicable laws and regulations.</p> | <p>Article 8: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. -----omitted----- 2. -----omitted----- 3. -----omitted-----</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>following:</u> 1. -----omitted----- 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p> | <p>1. Amended in accordance with the newly revised "Guidelines for the Handling of Assets Acquired or Disposed of Public Companies" by the competent authority to improve the quality of opinions issued by external experts.</p> |
| <p>Article 10: -----omitted----- 5. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of domestic government bond <u>or</u></p> | <p>Article 10: -----omitted----- 5. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of domestic government bonds.</p> | <p>1. Pursuant to Article 31 of the Guidelines for the Treatment of Assets Acquired or Disposed by Public Companies 2. In view of the fact that buying</p> |

| Clause after Amendments | Clause before Amendments | Reason for Amendments |
|---|--|---|
| <p><u>Foreign government bonds with credit ratings no lower than Taiwan’s sovereign credit rating.</u></p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>-----omitted-----</p> | <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>-----omitted-----</p> | <p>or selling domestic government bonds by a public company is now exempt from public announcement and reporting, the relevant articles are amended to allow for exemption from public announcement and reporting when buying or selling foreign government bonds with credit ratings no lower than Taiwan’s sovereign credit rating.</p> |
| <p>Article <u>13</u>: The 11th amendment was made on 20 July 2021. The 12th amendment was made on 26 May 2022.</p> | <p>Article <u>13</u>: The 11th amendment was made on 20 July 2021.</p> | <p>1. Update the date of the amendment.</p> |

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 36 billion, divided into 3.6 billion shares, at NTD 10 each, and may be paid-up in installments.

Article 5-1 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 Accommodate video conferences and other means of holding shareholder' meetings as stipulated by competent authorities.
- III 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.
- IV 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.
- V 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.

- VI When a shareholders' meeting is held, if it is a video conference, shareholders who participate in the meeting by video are deemed to be present in person.
- VII 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.
- X. The company shall purchase liability insurance for all directors and independent directors during their term of office for the execution of the scope of business and their legal liability for compensation.

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.
The 41st Amendment was made on 2 July 2021.
The 42nd Amendment was made on 26 May 2022.

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 matters of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 of Issuers' Raising and Issuing of Marketable Securities Handling Guidelines and Article 60-2 matters 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

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. Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. If there is more than one proposal, all proposals Not 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. At the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced. 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 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 list of directors who lose the election and the number of voting rights obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with 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 that 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.

The 8th amendment was made on 23 June 2020.

The 9th amendment was made on 20 July 2021.

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 matters of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 of Issuers' Raising and Issuing of Marketable Securities Handling Guidelines and Article 60-2 matters 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

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. Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. If there is more than one proposal, all proposals Not 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.
- When the shareholders' meeting is held, it can be held by video conference or other methods announced by the central competent authority. The operating procedures and other matters to be followed shall be handled in accordance with the regulations of the competent authority.
- When a shareholders meeting is held, if it is a video conference, shareholders who participate in the meeting by video are deemed to be present in person.
- 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. At the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced. 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.

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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 list of directors who lose the election and the number of voting rights obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with 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.

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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 that 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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Article 20 These Rules and Procedures were created on 21 May 1991.

The 1st amendment was made on 13 May 1998.

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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.

The 8th amendment was made on 23 June 2020.

The 9th amendment was made on 20 July 2021.

The 10th amendment was made on 26 May 2022.

Appendix 4

Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and Its Subsidiaries

Article 1: The Company shall handle the acquisition or disposal of assets in compliance with these Regulations. Any matters not subject these procedures, shall be handled in accordance with the relevant laws and regulations.

The Company that engages in derivatives trading, in addition to conducting such matters in compliance with the Regulations Governing the Acquisition and Disposal of Derivatives, shall also adopt the Procedures.

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

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

Article 3: Terms used in these regulations are defined as follows:

1. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
3. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

4. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
5. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
6. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4: The procedures for acquisition or disposal of assets by the Company from or to a related party should follow below provisions:

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

4. A transaction of major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If approval of more than half of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.

Article 5: In addition to legal orders or the special provisions, the procedures for acquisition or disposal of assets by the Company from or to a related party shall be conducted in accordance with following procedures:

1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) The range of the appraised value should use the regular price as reference. In the case of fixed prices, specific prices, or special prices, it must be indicated whether or not it conforms with the rules in Article 10 and 11 of the Land Appraisal Technical Specifications. If for a particular reason fixed prices, specific prices, or special prices must be used as the basis for consideration that transaction should be first presented to the board of directors for approval. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 - (2) If the transaction amount is over NT\$ 1 billion, two or more professional appraisal reports must be obtained.
 - (3) Where any one of the following circumstances applies with respect to the appraisal results of professional appraisal reports, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.
 - B. The discrepancy between the appraisal results by at least 2 professional appraisers reaches 10% or more of the transaction amount.
- (4) The date of the completion of a professional appraisal report and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.
2. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, the provisions shall not apply if there are publicly quoted prices of such securities in an active market or where otherwise provided by regulations of the Financial Supervisory Commission ("FSC").
 3. Except for transactions with domestic government institutions, if the Company's acquisition or disposal of intangible assets, right-of-use assets or membership reaches 20 percent of the Company's paid-in capital or NT\$300 million, prior to the date of the event, the opinion of a rational transaction price shall be sought from a Certified Public Accountant.
 4. For those assets acquired or disposed of through the court auction process by the Company, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.

Article 6: The Company engages in any acquisition or disposal of assets from or to a related party, shall be conducted in accordance with following procedures:

1. When the Company engages in any acquisition or disposal of assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the regulations of the preceding 5 Subparagraphs.
2. When the Company intends to acquire or dispose of real property or right-of-use

assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except for trading domestic government bonds or bonds with repurchase or reverse repurchase agreement, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved with the consent of one-half or more of the entire membership of the Audit Committee, and submitted to and resolved by the board of directors. Any matter that has not been approved with the consent of one-half or more of the entire membership of the Audit Committee may be adopted with the consent of two-thirds or more of the entire board of directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes.

- (1) The appraisal report issued by the person who obtained the professional appraisal in accordance with the regulations, or the opinion of the accountant.
- (2) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (3) The reason for choosing the related party as a trading counterparty.
- (4) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms.
- (5) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- (6) Monthly cash flow forecasts for one year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between a the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$ 6 billion and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquires or disposes of assets of the right to use equipment for business use, but if it is necessary for fleet scheduling, the authorized amount may be increased to NT\$30 billion.

2. Acquisition or disposal of real property right-of-use assets held for business use.

In accordance with the provisions of Paragraph 1, when submitting acquisitions or disposals of assets to the board of directors for discussions, opinions of independent directors should be adequately considered, and if they have oppositions or reservations, the same should be entered into the minutes of the board meetings.

When the company or a subsidiary of the company not publicly traded in Taiwan enters into a transaction stipulated in Paragraph 1, if the total amount exceeds 10% of the total assets of the company, the company should submit all relevant information to the shareholders meeting for approval, before signing contracts and making payments. However the above does not apply for transactions between the company and its subsidiary and among its subsidiaries.

Calculations of the transaction amounts should be made in accordance with the provisions of Paragraph 2, Article 10, and the criteria for "within one year" shall be one year backdate the date of the actual transaction. Portions already submitted to and approved by the shareholders meetings and the board of directors according to these procedures are excluded.

When the sum of a real property or right-of-use assets transaction carried out between the Company and its subsidiaries is higher than the estimate for the acquisition of real property, and objective evidence, a professional appraisal, or a substantive and reasonable opinion from a CPA explaining the discrepancy cannot be obtained, the board of directors shall thoroughly assess whether the transaction violates the rights of the Company or shareholders. When necessary, the board shall reject the transaction. If the board approves such a transaction, the Company must conduct the following items:

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

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing

contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent, use the special surplus reserve.

When the following circumstances is present in a transaction with a related parties, after passage by the board of directors, the matter shall also be submitted to the shareholders meeting for passage of a resolution, and neither the related parties nor any persons connected with the related parties may participate in the voting:

1. There is a discrepancy of 20 percent or more between the amount of the transaction and the appraised amount.
2. The amount or the terms of the transaction will have a material effect on the Company's operations.
3. The transaction will have a material effect on shareholder equity.
4. Other circumstances in which the board of directors deems that the matter should be submitted for a resolution by a shareholders meeting.

Article 7: The Company that conducts a merger, demerger, acquisition, or transfer of shares shall be conducted in accordance with following procedures:

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
2. Shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger,

or acquisition, this restriction shall not apply.

3. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
4. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
5. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
6. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
 - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
7. Within 2 days counting inclusively from the date of passage of a resolution by the board of directors, basic identification data for personnel and dates of material events must be submitted in the prescribed format to the FSC via the Internet-based information system for reference.
8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with

the non-public company whereby the latter is required to abide by the provisions of preceding two article.

9. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
10. Public companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
11. The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the

principles for handling thereof.

(4) The manner of handling changes in the number of participating entities or companies.

(5) Preliminary progress schedule for plan execution, and anticipated completion date.

(6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

12. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
13. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by the articles of 4 to 9, and the preceding article.

Article 8: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be

related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline regulations of their respective trade associations and the following matters:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When implement case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriateness and reasonable, and that they have complied with applicable laws and regulations.

Article 9: For the calculation of 10 percent of total assets under these regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Information required to be publicly announced and reported on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing.

The paid-in capital or total assets of a subsidiary shall be the standard applicable to it in determining whether, relative to 20 percent of paid-in capital or 10 percent of total assets of the company, it shall apply to obtain the report of an expert and perform the procedures for transactions with a related party.

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

is 10 percent.

Article 10: Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.
4. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
5. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.
 - (2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of

- underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

The criteria for “within one year” shall be one year backdate the date of the actual transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

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

Article 12: The Regulations and any amendments thereto, shall be approved with the consent of half or more of the entire membership of the Audit Committee, submitted to the board of directors for a resolution, and approved by the shareholders' meeting before becoming effective.

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

When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to subparagraph 1, 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.

The subsidiaries shall also set the "Regulations Governing the Acquisition and Disposal of Assets." Such Regulations, and any amendments thereto, shall be adopted by the boards of directors and then submitted to the Company's board of directors for reference. Prior to engaging in acquisition or disposal, a subsidiary company should act in accordance with The Asset Acquisition and Disposal Processing Procedures.

Article 13: These regulations were created on 18 May 1990.

- The 1st amendment was made on 1 May 1992.
- The 2nd amendment was made on 29 May 1995.
- The 3rd amendment was made on 24 May 2000.
- The 4th amendment was made on 26 June 2003.
- The 5th amendment was made on 27 June 2007.
- The 6th amendment was made on 27 June 2012.
- The 7th amendment was made on 18 June 2014.
- The 8th amendment was made on 12 June 2015.
- The 9th amendment was made on 22 June 2017.
- The 10th amendment was made on 18 June 2019.
- The 11th amendment was made on 20 July 2021.
- The 12th amendment was made on 26 May 2022.

Other Information That Should Be Disclosed

I. 2020 Earnings Distribution: Directors Remunerations and Employee Remunerations:

Unit: NTD

| Items | Sub-Total | Stock Conversion | Scale of Stock Dilution |
|---|---------------|------------------|-------------------------|
| Director Remunerations (Cash) | \$143,616,713 | - | - |
| Employee Remunerations (Cash) | \$143,616,713 | - | - |
| Employee Remunerations (Stock) | \$0 | - | - |
| Total | \$287,233,426 | - | - |
| Note: The above distribution matched a Board of Directors resolution reached on Mar 22, 2021. | | | |

II. Dividends Policy

If there is any annual profit for the Company, not less than 0.6% 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, a special surplus reserve may be set aside. If there is any remaining balance, together with the adjustment amount of the undistributed surplus in the current year, more than 10% shall be set aside. 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 2021

- The Company's 2021 net income after tax was NT\$103,342,908,028. In accordance with relevant laws and the Memorandum of Association, 10% of net income which equates to the amount of NT\$10,333,880,596 was appropriated as legal reserve and also the reversal of special reserve of NT\$747,892,105. After the addition of beginning period undistributed earnings of NT\$7,656,094,435 and the other comprehensive losses of NT\$ 4,102,069 (the 2021 annual remeasurement of defined benefit obligation), the available undistributed earnings was NT\$99,913,127,693. The 2021 annual earnings appropriation was NT\$

29,281,526,536 for distribution to shareholders as following:

- (1) Cash dividend of NT\$10.5 per share, NT\$ 25,621,335,726 as total amount.
 - (2) Stock dividend of NT\$1.5 per share, NT\$ 3,660,190,810 as total amount.
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\$777,558,181, and the Directors' remuneration was NT\$129,593,030, 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 | 58,563,053 Shares | 73,544,941 Shares |

Note: Book closure date: Mar 28, 2022

2. Detailed Table of amount of shares held by Directors

Until book closure date: Mar 28, 2022

| Title | Name | Share Numbers Recorded in the Shareholder Registration Book (shares) | Notation |
|-----------------------|---------------------------------|--|--------------------------------|
| Chairman | JIUFU GARDEN CO., LTD | 3,300,000 Shares | Representative: Po-Ting Chen |
| Director | TAILI CORPORATION | 6,016,181 Shares | Representative: Randy Chen |
| Director | CHEN-YUNG FOUNDATION | 35,092,393 Shares | Representative: Chih-Chao Chen |
| Director | SUN SHINE CONSTRUCTION CO., LTD | 29,136,367 Shares | Representative: Chiu-Ling Wu |
| Independent Directors | RUNG-NIAN LAI | 0 Shares | |
| Independent Directors | STEPHANIE LIN | 629,912 Shares | |
| Independent Directors | YI-SHENG TSENG | 0 Shares | |

Note 1: The Company has a paid-up capital of NT\$24,401,272,120, issued in 2,440,127,212 ordinary shares.

Note 2: The amount of shares held by directors has reached the legal standards.