

Stock Code: 2606



U-MING MARINE TRANSPORT CORP.

Description of the Proposals of the 2022 Annual Meeting of Shareholders

**The English version is the translation of the Chinese version and if there is any conflict between the meaning of terms in the Chinese version and English translation, the meaning of the Chinese version shall prevail.*

Matters to Be Ratified:

1. The 2021 Business Report and Financial Statements

Explanation:

- (1) The audit committee's review report is hereby issued after reviewing the 2021 financial statements (including the business report and the independent auditor's report issued by CPA Wen-Ching Lin and CPA Yi-Wen Wang of Deloitte & Touche; please refer to Page 2~27 of the Handbook) without any nonconformity identified.
- (2) Please approve

Resolution:

2. The Proposal for Earnings Distribution of 2021

Explanation:

- (1) Please refer to the 2021 Earnings Distribution proposed in accordance with Article 27 of the Company's Articles of Incorporation as follows:

	NT\$
Unappropriated retained earnings of previous year	6,631,656,020
Less: Investment adjusted retained earnings by using equity method	(335,983)
Add: 2021 actuarial gain & losses appropriated retained earnings	(9,460,902)
Add: Proceeds from sale of financial assets at fair value through other comprehensive income	691,672
Adjusted unappropriated retained earnings	6,641,472,611
Add: 2021 net income	4,892,584,265
Less: 10% legal reserve appropriated	(490,240,086)
Less: 2021 reversal of special reserve	(2,227,895,202)
Add: Reversal of retained special reserve from before	1,022,797,330
Earnings available for distribution	9,838,718,918
Less: 2021 earning distribution (cash dividend NT\$3.0 per share)	(2,535,167,136)
Unappropriated retained earnings	7,303,551,782

- (2) The distribution of earnings is calculated to the dollar (round up to the dollar). The total amount of the odd shares will be booked as the other income of the Company. It is proposed that the Board authorized the Chairman to fix the record date of ex-cash dividend after the approved by the year 2022 annual shareholders' meeting. Upon the approval of the annual shareholders' meeting, it is proposed that the Board be authorized to adjust the amount per share based on the actual shares outstanding number on the record date of ex-cash dividend for the legal reserve distribution by cash if there is an amendment of the number of shares outstanding before the date.
- (3) Please approve.

Resolution:

Matters to Be Discussed and Elected

1. To approve the amendment to the “Articles of Incorporation”.

Explanation:

- (1) In order to have more flexible way of the Company's shareholders' meeting, and pursuant to Article 172-2, Paragraph 1 of the Company Act, it is proposed to stipulate that the shareholders' meeting can be held by video conference or other methods announced by the competent authority. Please refer to the attached Article Amendments Table for amended articles.
- (2) This proposal has been approved by the 13th meeting of the eighteenth-term Board of Directors on March 7, 2022.
- (3) The proposal is hereby presented for referendum.

Resolutions:

Amendments Table of “Articles of Incorporation”

No.	After amendment	Before amendment
Article 11	Convention of shareholders’ regular meeting shall be notified to various shareholders in writing 30 days in advance. Convention of shareholders shall be notified to various shareholders in writing 15 days in advance. That written notice shall state clearly the date and place and the reasons for convening the meeting and shall also be publicly announced based on Law. <u>The Company may hold a shareholders’ meeting by means of a visual communication network or other methods announced by the central competent authority.</u>	Convention of shareholders’ regular meeting shall be notified to various shareholders in writing 30 days in advance. Convention of shareholders shall be notified to various shareholders in writing 15 days in advance. That written notice shall state clearly the date and place and the reasons for convening the meeting and shall also be publicly announced based on Law.
Article 29	The Articles of Incorporation of the Corporation are stipulated on the 22nd day of June 1968 and after resolution was obtained in the stockholders’ regular meeting, it was submitted to the competent authority for approval and became effective on the same day. Subsequent amendment to these Articles of Incorporation shall become effective after being passed at the stockholders’ meeting. (Omitted) The forty-ninth revision was in June 9th 2020. <u>The fiftieth revision was in June 8th 2021.</u>	The Articles of Incorporation of the Corporation are stipulated on the 22nd day of June 1968 and after resolution was obtained in the stockholders’ regular meeting, it was submitted to the competent authority for approval and became effective on the same day. Subsequent amendment to these Articles of Incorporation shall become effective after being passed at the stockholders’ meeting. (Omitted) The forty-ninth revision was in June 9th 2020.

2. To approve the amendment to the “Rules of Procedure for Shareholders’ Meetings” of the Company.

Explanation:

- (1) In response to the amendment of Article 172-2 of the Company Act, which allows public companies can hold shareholders' meetings by video conference, and pursuant to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” issued by Taiwan Stock Exchange Corporation on March 8, 2022, it is proposed to amend the “Rules of Procedure for Shareholders’ Meetings” of the Company. Please refer to the attached Article Amendments Table for amended articles.
- (2) This proposal has been approved by the 14th meeting of the eighteenth-term Board of Directors on April 27, 2022.
- (3) The proposal is hereby presented for referendum.

Resolutions:

Amendments Table of “Rules of Procedure for Shareholders’ Meetings”

No.	After amendment	Before amendment
Article 2	The location for shareholders’ meeting shall be the Company’s place of business or a place convenient for attendance by shareholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM. <u>Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.</u> <u>The Company shall specify in its shareholders' meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be marked and a sufficient number of suitable personnel assigned to handle the registrations. Where a shareholders’ meeting is held by means of a visual communication network, shareholders shall register on the visual networking platform at least 30 minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u> When holding a shareholders’ meeting, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power and shall describe in the shareholders’ meeting notice the method of exercising their voting power. A shareholder who exercises his/her/its voting power at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the said shareholders’	The location for shareholders’ meeting shall be the Company’s place of business or a place convenient for attendance by shareholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM. <u>The shareholders (or proxies) when attending the meeting shall wear admission badge and hand in signed attendance form to be used to calculate the number of attending shares.</u> When holding a shareholders’ meeting, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power and shall describe in the shareholders’ meeting notice the method of exercising their voting power. A shareholder who exercises his/her/its voting power at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the said shareholders’

No.	After amendment	Before amendment
	meeting in person. <u>If a shareholder does not revoke his/her/its intention to exercise the voting power and attends the shareholders' meeting in person or by means of a visual communication network, he/she/it shall not exercise his/her/its voting power on the original proposals, propose amendments to the original proposals, or exercise the voting power for amendments to the original proposals, except for extemporary motions.</u> <u>Shareholders (or their proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. Shareholders (or their proxies) when attending the meeting shall hand in the sign-in cards to be used to calculate the number of attending shares.</u> Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in <u>and the number of shares registered on the visual networking platform</u> plus the number of shares whose voting powers are exercised electronically. The Company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting. The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband. For a shareholders' meeting convened by the Board of Directors, the Chairperson of the Board of Directors shall preside at the meeting. If the Chairperson of the Board of Directors is on leave or unable to exert the rights, the Vice-Chairperson of the Board of Directors shall preside instead; if the position of Vice-Chairperson is vacant	meeting in person. The Company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting. The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband. For a shareholders' meeting convened by the Board of Directors, the Chairperson of the Board of Directors shall preside at the meeting. If the Chairperson of the Board of Directors is on leave or unable to exert the rights, the Vice-Chairperson of the Board of Directors shall preside instead; if the position of Vice-Chairperson is vacant

No.	After amendment	Before amendment
	or the Vice-Chairperson is on leave or unable to exert the rights, the Chairperson of the Board of Directors shall designate a director to preside at the meeting. If no director is so designated, the Chairperson of the meeting shall be elected by the Board of Directors among themselves. <u>If the Chairperson is represented by a director, a director who has served for more than six months and who understands the Company's financial and business conditions shall serve as the Chairperson. The same shall apply if the Chairperson is the representative of an entity director. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the Chairperson of that meeting; if there are two or more persons having the convening right, the Chairperson of the meeting shall be elected among themselves.</u> The complete processes of the meeting shall be recorded by voice or video recorders and all the records shall be kept by the Company for a minimum period of at least one year. <u>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. When a shareholders' meeting is held by means of a visual communication network, the Company shall make an uninterrupted audio and video recording of the shareholders' meeting. The materials and audio and video recordings shall be properly retained by the Company throughout its life.</u>	or the Vice-Chairperson is on leave or unable to exert the rights, the Chairperson of the Board of Directors shall designate a director to preside at the meeting. If no director is so designated, the Chairperson of the meeting shall be elected by the Board of Directors among themselves. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the Chairperson of that meeting; if there are two or more persons having the convening right, the Chairperson of the meeting shall be elected among themselves. The complete processes of the meeting shall be recorded by voice or video recorders and all the records shall be kept by the Company for a minimum period of at least one year.
Article 8-1	<u>If a shareholders' meeting is held by means of a visual communication network, shareholders attending the meeting by means of a visual communication network may ask questions in text form on the visual networking platform after the Chairperson declares the commencement of the meeting and before the Chairperson declares the adjournment of the meeting. The</u>	(Newly added)

No.	After amendment	Before amendment
	<u>number of questions asked for each proposal shall not exceed two, with each question limited to 200 words. The provisions of Articles 5, 7, and 8 shall not apply.</u>	
Article 11	<u>When the Company convenes a shareholders' meeting by means of a visual communication network, shareholders attending the meeting by means of a visual communication network shall vote on the proposals and the election on the visual networking platform after the Chairperson announces the commencement of the meeting and before the Chairperson announces the close of voting. Failure to do so will be deemed abstention.</u> In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the shareholders (or proxies) attending the meeting. <u>Proposals and elections shall be resolved by balloting at one time; votes shall be counted at one time after the Chairperson announces the close of voting.</u> If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the Chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote. The results of voting shall be reported on the spot and kept for records. <u>If a shareholders' meeting is held by means of a visual communication network, the Company shall immediately disclose the voting results of the proposals and the election results</u>	In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the shareholders (or proxies) attending the meeting. Proposals shall be resolved by balloting. The Chairperson may refer the proposals to balloting one-by-one, or balloting of all proposals (including election) in aggregate at one time and count the votes cast separately on each proposal. If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the Chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote. The results of voting shall be reported on the spot and kept for records.

No.	After amendment	Before amendment
	<u>on the visual networking platform in accordance with the regulations and maintain their availability for at least 15 minutes after the Chairperson announces the adjournment of the meeting.</u>	
Article 13	<u>If a shareholders' meeting is held by means of a visual communication network, the Chairperson shall, when announcing the commencement of the meeting, separately announce the date of the meeting that shall be postponed or reconvened within five days due to any obstacles to the visual networking platform or attendance by means of a visual communication network that are caused by natural disasters, incidents, or other force majeure events lasting for 30 minutes or more, except for the circumstances where such postponement or reconvention is not required according to law.</u> The Chairperson may announce for a halt of the meeting in the event of force majeure during the session, and may announce for the time of continuing the meeting depending on the circumstances.	The Chairperson may announce for a halt of the meeting in the event of force majeure during the session, and may announce for the time of continuing the meeting depending on the circumstances.

3. To approve the amendment to the “Procedures Governing the Acquisition or Disposal of Assets” of the Company.

Explanation:

- (1) Pursuant to the official letter issued by the Financial Supervisory Commission (Letter No. FSC 1110380465) on January 28, 2022, it is proposed to amend the “Procedures Governing the Acquisition or Disposal of Assets” of the Company. Please refer to the attached Article Amendments Table for amended articles.
- (2) This proposal has been approved by the 13th meeting of the eighteenth-term Board of Directors on March 7, 2022.
- (3) The proposal is hereby presented for referendum.

Resolutions:

Amendments Table of “Procedures Governing the Acquisition or Disposal of Assets”

No.	After amendment	Before amendment
Article 6	Procedures governing the acquisition or disposal of marketable securities 1. Appraisal procedures (a) When the Corporation engages in investments in marketable securities, the Finance Division or other relevant units shall conduct financial analyses and forecast potential returns as well as assess potential risks with regard to the investment target. (b) Trading of marketable securities conducted on centralized markets or over-the-counter markets shall be judged and decided by responsible units based on market trends. As for trading of marketable securities which is not conducted on centralized markets or over-the-counter markets, financial statements of the issuing company for the most recent period audited and attested by a CPA shall be obtained as a reference for assessing the transaction price. Factors such as net asset value of each share, profitability, and future development potential shall be taken into consideration. 2. Solicitation of expert opinions (a) Before the occurrence date of acquisition or disposal of marketable securities by the Corporation, financial statements of the issuing company for the most recent period audited and attested by a CPA shall be obtained as a reference for assessing the transaction price. If the transaction amount exceeds 20% of the total paid-in capital of the Corporation or NT\$ 300 million, an accountant should be consulted regarding	Procedures governing the acquisition or disposal of marketable securities 1. Appraisal procedures (a) When the Corporation engages in investments in marketable securities, the Finance Division or other relevant units shall conduct financial analyses and forecast potential returns as well as assess potential risks with regard to the investment target. (b) Trading of marketable securities conducted on centralized markets or over-the-counter markets shall be judged and decided by responsible units based on market trends. As for trading of marketable securities which is not conducted on centralized markets or over-the-counter markets, financial statements of the issuing company for the most recent period audited and attested by a CPA shall be obtained as a reference for assessing the transaction price. Factors such as net asset value of each share, profitability, and future development potential shall be taken into consideration. 2. Solicitation of expert opinions (a) Before the occurrence date of acquisition or disposal of marketable securities by the Corporation, financial statements of the issuing company for the most recent period audited and attested by a CPA shall be obtained as a reference for assessing the transaction price. If the transaction amount exceeds 20% of the total paid-in capital of the Corporation or NT\$ 300 million, an accountant should be consulted

No.	After amendment	Before amendment
	the reasonableness of the transaction value before the occurrence date. However, these restrictions shall not apply if publicly quoted prices for said securities exist on active markets or the Financial Supervisory Commission (hereinafter referred to as these “FSC”) has stipulated otherwise. (b) If the Corporation acquires or disposes of assets through foreclosure auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants. 3. Decision-making authority and executive units The acquisition or disposal of marketable securities shall be executed upon approval of relevant data that are inspected and submitted by the Finance Division by the board of directors. If prior approval is impossible, the General Manager shall be authorized to make decisions regarding transactions of a value of less than NT\$ 100 million (the General Manager may also delegate decision-making authority to others), while the Chairman shall be authorized to make decisions regarding transactions of a value of more than NT\$ 100 million (the Chairman may also delegate decision-making authority to others). Transactions shall be approved by the next board meeting.	regarding the reasonableness of the transaction value before the occurrence date. <u>If said accountant employs expert reports the provisions set forth in Statement on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</u> However, these restrictions shall not apply if publicly quoted prices for said securities exist on active markets or the Financial Supervisory Commission (hereinafter referred to as these “FSC”) has stipulated otherwise. (b) If the Corporation acquires or disposes of assets through foreclosure auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants. 3. Decision-making authority and executive units The acquisition or disposal of marketable securities shall be executed upon approval of relevant data that are inspected and submitted by the Finance Division by the board of directors. If prior approval is impossible, the General Manager shall be authorized to make decisions regarding transactions of a value of less than NT\$ 100 million (the General Manager may also delegate decision-making authority to others), while the Chairman shall be authorized to make decisions regarding transactions of a value of more than NT\$ 100 million (the Chairman may also delegate decision-making authority to others). Transactions shall be approved by the next board meeting.
Article 7	Procedures governing the acquisition or disposal of real property or facilities	Procedures governing the acquisition or disposal of real property or facilities

No.	After amendment	Before amendment
	1. Appraisal procedures (a) When the Corporation engages in investments in real property and facilities, the Accounting Division or other relevant units shall carefully assess the expected investment returns and risks based on the current business and financial conditions and future development plans. (b) The declared present value, assessed value, and the actual transaction value of adjacent real properties shall be taken into consideration for the acquisition or disposal of real property and transaction terms and values shall be recommended. These data shall be compiled into an analysis report. (c) Facilities shall be acquired or disposed of through price inquiry, price comparison, bargaining, or bidding. 2. Appraisal reports for real property or facilities Unless real property or facilities are acquired or disposed of through transactions with a government agency, commissioned construction on owned or rented land, or acquisition and disposal of operating facilities, appraisal reports shall be issued by professional appraisers before the occurrence date for transaction values exceeding 20% of the total paid-in capital or NT\$ 300 million (a detailed list of required items for appraisal reports is provided in Appendix 1). The following regulations shall be observed: (a) If limited prices, specified prices, or special prices are used as a reference basis for the determination of transaction prices due to special circumstances, said	1. Appraisal procedures (a) When the Corporation engages in investments in real property and facilities, the Accounting Division or other relevant units shall carefully assess the expected investment returns and risks based on the current business and financial conditions and future development plans. (b) The declared present value, assessed value, and the actual transaction value of adjacent real properties shall be taken into consideration for the acquisition or disposal of real property and transaction terms and values shall be recommended. These data shall be compiled into an analysis report. (c) Facilities shall be acquired or disposed of through price inquiry, price comparison, bargaining, or bidding. 2. Appraisal reports for real property or facilities Unless real property or facilities are acquired or disposed of through transactions with a government agency, commissioned construction on owned or rented land, or acquisition and disposal of operating facilities, appraisal reports shall be issued by professional appraisers before the occurrence date for transaction values exceeding 20% of the total paid-in capital or NT\$ 300 million (a detailed list of required items for appraisal reports is provided in Appendix 1). The following regulations shall be observed: (a) If limited prices, specified prices, or special prices are used as a reference basis for the determination of transaction prices due to special circumstances, said

No.	After amendment	Before amendment
	transaction shall be approved in advance by a board resolution. The aforementioned procedures shall also apply to future modifications of transaction terms. (b) If transaction amounts exceed NT\$ 1 billion, appraisals shall be conducted by at least two professional appraisers. (c) An accountant shall be hired to conduct an appraisal and render specific opinions regarding the reasons for discrepancies and the appropriateness of the transaction price if the results of appraisals conducted by professional appraisers meet one of the following criteria unless the appraised values of assets to be acquired are all higher than the transaction amounts or the appraised values of assets to be disposed of are all lower than the transaction amounts: (1) The discrepancy between appraisal results and the transaction amount exceeds 20%. (2) The discrepancy between appraisal results of two or more professional appraisers exceeds 10% of the transaction amount. (d) No more than 3 months shall elapse between the issuance date of the appraisal report and the contract conclusion date. If the publicly announced current value for the same period applies and less than six months have elapsed, the original professional appraiser shall issue an official opinion. (e) If the Corporation acquires or disposes of assets through foreclosure auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants.	transaction shall be approved in advance by a board resolution. The aforementioned procedures shall also apply to future modifications of transaction terms. (b) If transaction amounts exceed NT\$ 1 billion, appraisals shall be conducted by at least two professional appraisers. (c) An accountant shall be hired to conduct an appraisal <u>in accordance with the provisions set forth in Statement on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation</u> and render specific opinions regarding the reasons for discrepancies and the appropriateness of the transaction price if the results of appraisals conducted by professional appraisers meet one of the following criteria unless the appraised values of assets to be acquired are all higher than the transaction amounts or the appraised values of assets to be disposed of are all lower than the transaction amounts: (1) The discrepancy between appraisal results and the transaction amount exceeds 20%. (2) The discrepancy between appraisal results of two or more professional appraisers exceeds 10% of the transaction amount. (d) No more than 3 months shall elapse between the issuance date of the appraisal report and the contract conclusion date. If the publicly announced current value for the same period applies and less than six months have elapsed, the original professional appraiser shall issue an official opinion. (e) If the Corporation acquires or disposes of assets through foreclosure

No.	After amendment	Before amendment
	3. Decision-making authority and executive units The acquisition or disposal of real property or facilities shall be executed upon approval of relevant data that are inspected and submitted by the Finance Division by the board of directors. If prior approval is impossible, the General Manager shall be authorized to make decisions regarding transactions of a value of less than NT\$ 10 million (the General Manager may also delegate decision-making authority to others), while the Chairman shall be authorized to make decisions regarding transactions of a value of more than NT\$ 10 million (the Chairman may also delegate decision-making authority to others). Transactions shall be approved by the next board meeting.	auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants. 3. Decision-making authority and executive units The acquisition or disposal of real property or facilities shall be executed upon approval of relevant data that are inspected and submitted by the Finance Division by the board of directors. If prior approval is impossible, the General Manager shall be authorized to make decisions regarding transactions of a value of less than NT\$ 10 million (the General Manager may also delegate decision-making authority to others), while the Chairman shall be authorized to make decisions regarding transactions of a value of more than NT\$ 10 million (the Chairman may also delegate decision-making authority to others). Transactions shall be approved by the next board meeting.
Article 8	Procedures governing transactions by related parties 1. When the Corporation intends to acquire or dispose of assets from or to related parties, the resolution procedures and assessment of the reasonableness of the transaction terms shall be handled in accordance with the provisions set forth in these Procedures and appraisal reports issued by professional appraisers in accordance with these Procedures or accountant opinions shall be obtained if transaction amounts exceed 10% of the total asset value of the Corporation. When determining whether transaction parties are related parties, legal	Procedures governing transactions by related parties 1. When the Corporation intends to acquire or dispose of assets from or to related parties, the resolution procedures and assessment of the reasonableness of the transaction terms shall be handled in accordance with the provisions set forth in these Procedures and appraisal reports issued by professional appraisers in accordance with these Procedures or accountant opinions shall be obtained if transaction amounts exceed 10% of the total asset value of the Corporation. When determining whether transaction parties are related parties, legal

No.	After amendment	Before amendment
	formalities and the actual nature of the relationship shall be taken into account. 2. Appraisal and operating procedures <u>(a)</u> If transaction amounts for assets other than real property acquired or disposed of from or to related parties exceed 20% of the total paid-in capital of the Corporation, 10% of the total asset value, or NT\$ 300 million, the following data shall be submitted to the board of directors for approval and the supervisors for confirmation before transaction contracts may be signed or payments made. These regulations shall not apply to the trading of government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises: <u>(1)</u> Purpose, necessity, and projected benefits of asset acquisition or disposal. <u>(2)</u> Reasons for selection of related parties as transaction parties. <u>(3)</u> Data related to the assessment of the reasonableness of the predefined transaction terms with regard to assets acquired from related parties conducted in accordance with relevant regulations set forth in Paragraph 3, Clause 1 and 4 of this article. <u>(4)</u> Date and price of the original acquisition by the related party, transaction parties, and their relationship with the Corporation and the related party. <u>(5)</u> Forecasted monthly cash flows in the year following the month of contract conclusion and assessment of the necessity of the transaction and the	formalities and the actual nature of the relationship shall be taken into account. 2. Appraisal and operating procedures If transaction amounts for assets other than real property acquired or disposed of from or to related parties exceed 20% of the total paid-in capital of the Corporation, 10% of the total asset value, or NT\$ 300 million, the following data shall be submitted to the board of directors for approval and the supervisors for confirmation before transaction contracts may be signed or payments made. These regulations shall not apply to the trading of government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises: <u>(a)</u> Purpose, necessity, and projected benefits of asset acquisition or disposal. <u>(b)</u> Reasons for selection of related parties as transaction parties. <u>(c)</u> Data related to the assessment of the reasonableness of the predefined transaction terms with regard to assets acquired from related parties conducted in accordance with relevant regulations set forth in Paragraph 3, Clause 1 and 4 of this article. <u>(d)</u> Date and price of the original acquisition by the related party, transaction parties, and their relationship with the Corporation and the related party. <u>(e)</u> Forecasted monthly cash flows in the year following the month of contract conclusion and assessment of the necessity of the transaction and the

No.	After amendment	Before amendment
	reasonableness of fund utilization. <u>(6)</u> Appraisal reports issued by professional appraisers or accountant opinions obtained in accordance with the regulations set forth in Paragraph one of this article. <u>(7)</u> Restrictions and other important covenants pertaining to this transaction. <u>(b)</u> When submitted for discussion by the board of directors pursuant to the preceding paragraph, 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. <u>(c) If the Corporation or the subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Corporation total assets, the Corporation shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Corporation and its parent company or subsidiaries or between its subsidiaries.</u> 3. Assessment of the reasonableness of transaction costs (a) The following methods shall be employed for assessments of the reasonableness of transaction costs for real property acquired from related parties:	reasonableness of fund utilization. <u>(f)</u> Appraisal reports issued by professional appraisers or accountant opinions obtained in accordance with the regulations set forth in Paragraph one of this article. <u>(g)</u> Restrictions and other important covenants pertaining to this transaction. When submitted for discussion by the board of directors pursuant to the preceding paragraph, 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. 3. Assessment of the reasonableness of transaction costs (a) The following methods shall be employed for assessments of the reasonableness of transaction costs for real property acquired from related parties:

No.	After amendment	Before amendment
	(1) Addition of necessary interest on funds and costs borne by the buyer in accordance with relevant laws based on the transaction price of the related party. Necessary interest on funds is imputed as the weighted average interest rate on borrowed funds in the year of asset acquisition by the Corporation. This rate shall not exceed the maximum interest rate on borrowings for non-financial institutions as announced by the Ministry of Finance. (2) Total loan value appraisal conducted by a financial institution if a mortgage loan has been secured by the related party for said property. The actual cumulative loan amount granted by the financial institution for the property shall amount to over 70% of the total appraised loan value of the property and the period of the loan shall exceed one year. These regulations shall not apply if the financial institution and one of the transaction parties are related parties. (b) In case of combined purchases of land and structures as a single property, transaction costs may be appraised separately for the land and building structures by employing any method specified in the preceding clause. (c) When acquiring real property from related parties, the Corporation shall not only appraise the costs of said property in accordance with the regulations set forth in the preceding two clauses but shall also hire an accountant to conduct reviews and render specific opinions. (d) When one of the following conditions applies to the acquisition of real property from related parties, such transactions shall be handled in	(1) Addition of necessary interest on funds and costs borne by the buyer in accordance with relevant laws based on the transaction price of the related party. Necessary interest on funds is imputed as the weighted average interest rate on borrowed funds in the year of asset acquisition by the Corporation. This rate shall not exceed the maximum interest rate on borrowings for non-financial institutions as announced by the Ministry of Finance. (2) Total loan value appraisal conducted by a financial institution if a mortgage loan has been secured by the related party for said property. The actual cumulative loan amount granted by the financial institution for the property shall amount to over 70% of the total appraised loan value of the property and the period of the loan shall exceed one year. These regulations shall not apply if the financial institution and one of the transaction parties are related parties. (b) In case of combined purchases of land and structures as a single property, transaction costs may be appraised separately for the land and building structures by employing any method specified in the preceding clause. (c) When acquiring real property from related parties, the Corporation shall not only appraise the costs of said property in accordance with the regulations set forth in the preceding two clauses but shall also hire an accountant to conduct reviews and render specific opinions. (d) When one of the following conditions applies to the acquisition of real property from related parties, such transactions shall be handled in

No.	After amendment	Before amendment
	accordance with the regulations set forth in Paragraph 1 and 2 of this article. The regulations regarding assessment of the reasonableness of transaction costs in the preceding three clauses shall not be applicable to such transactions. (1) Related party acquired the real property through inheritance or as a gift. (2) Over five years have elapsed between the time the related party concluded a contract to acquire the property and the date of the current transaction contract. (3) Real property acquired by the related party through the signing of a joint construction contract or construction on owned or rented land by the related party as a contractor. (4) The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. (e) If the results of assessments conducted in accordance with the regulations set forth in Clause (a) and (b) of this paragraph are uniformly lower than the transaction price, the regulations prescribed in Clause (f) and (g) of this paragraph shall apply. These restrictions shall not apply in case of the following circumstances if objective evidence has been submitted and specific opinions on reasonableness have been obtained from professional real estate appraisers or accountants: (1) The related party has acquired raw or leased land for construction. Proof of conformance with one of the following conditions shall be provided:	accordance with the regulations set forth in Paragraph 1 and 2 of this article. The regulations regarding assessment of the reasonableness of transaction costs in the preceding three clauses shall not be applicable to such transactions. (1) Related party acquired the real property through inheritance or as a gift. (2) Over five years have elapsed between the time the related party concluded a contract to acquire the property and the date of the current transaction contract. (3) Real property acquired by the related party through the signing of a joint construction contract or construction on owned or rented land by the related party as a contractor. (4) The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. (e) If the results of assessments conducted in accordance with the regulations set forth in Clause (a) and (b) of this paragraph are uniformly lower than the transaction price, the regulations prescribed in Clause (f) and (g) of this paragraph shall apply. These restrictions shall not apply in case of the following circumstances if objective evidence has been submitted and specific opinions on reasonableness have been obtained from professional real estate appraisers or accountants: (1) The related party has acquired raw or leased land for construction. Proof of conformance with one of the following conditions shall be provided:

No.	After amendment	Before amendment
	i. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices. (2) If the Corporation provides evidence that the transaction terms of real property acquired from related parties are similar to those of completed transactions by non-related parties of adjoining areas of a similar parcel size within the last year. The term “adjoining area transactions” shall refer to transactions in the same or an adjacent street block and within a radius of less than 500m from the transaction object or if the publicly announced current value is similar. The term “similar area size” shall refer to area sizes of transactions of non-related parties of at least 50% of the transaction object.	i. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices. (2) If the Corporation provides evidence that the transaction terms of real property acquired from related parties are similar to those of completed transactions by non-related parties of adjoining areas of a similar parcel size within the last year. The term “adjoining area transactions” shall refer to transactions in the same or an adjacent street block and within a radius of less than 500m from the transaction object or if the publicly announced current value is similar. The term “similar area size” shall refer to area sizes of transactions of non-related parties of at least 50% of the transaction object.

No.	After amendment	Before amendment
	(f) If the results of assessments conducted for real property acquired from related parties in accordance with the regulations set forth in the preceding five clauses of this paragraph are uniformly lower than the transaction price, the following steps shall be taken: (1) A special reserve shall be set aside to account for the difference between the transaction price of the real property and the appraised costs in accordance with the regulations set forth in Article 41, Paragraph 1 of the Securities and Exchange Act. Said reserve shall not be distributed or used for capital increase or stock dividends. If investors of this Corporation, which are public companies, adopt the equity method for evaluation they shall also set aside a special reserve proportional to its shareholding ratio in accordance with the law. (2) Supervisors shall handle the matter in accordance with Article 218 of the Company Act. (3) Measures taken in accordance with sub-clause 1 and 2 above shall be reported to the board of directors and the transaction details shall be disclosed in annual reports and investment prospectuses. (g) Special reserves set aside by this Corporation pursuant to the regulations set forth in the preceding clause shall only be used upon approval by the Financial Supervisory Commission after a loss due to declining market values of assets purchased at a premium has been determined or they have been disposed of, or appropriate compensation has been made, or the status quo ante has been	(f) If the results of assessments conducted for real property acquired from related parties in accordance with the regulations set forth in the preceding five clauses of this paragraph are uniformly lower than the transaction price, the following steps shall be taken: (1) A special reserve shall be set aside to account for the difference between the transaction price of the real property and the appraised costs in accordance with the regulations set forth in Article 41, Paragraph 1 of the Securities and Exchange Act. Said reserve shall not be distributed or used for capital increase or stock dividends. If investors of this Corporation, which are public companies, adopt the equity method for evaluation they shall also set aside a special reserve proportional to its shareholding ratio in accordance with the law. (2) Supervisors shall handle the matter in accordance with Article 218 of the Company Act. (3) Measures taken in accordance with sub-clause 1 and 2 above shall be reported to the board of directors and the transaction details shall be disclosed in annual reports and investment prospectuses. (g) Special reserves set aside by this Corporation pursuant to the regulations set forth in the preceding clause shall only be used upon approval by the Financial Supervisory Commission after a loss due to declining market values of assets purchased at a premium has been determined or they have been disposed of, or appropriate compensation has been made, or the status quo ante has been

No.	After amendment	Before amendment
	restored, or other types of evidence prove that no unreasonable circumstances exist. (h) If other types of evidence indicate that irregular business practices exist with regard to the acquisition of real property from related parties by the Corporation, matters shall be handled in accordance with the regulations set forth in Clause (f) and (g) of this paragraph. 4. Decision-making authority and executive units Acquisition or disposal of operating facilities between the Corporation and its subsidiaries shall be executed upon approval of relevant data that are inspected and submitted by the Accounting Division or other relevant departments by the board of directors. The Chairman shall be authorized to make prior decisions regarding transactions of a value of less than NT\$ 300 million. Such transactions shall be confirmed by the next board meeting. (a) Where equipment or right-of-use assets thereof for business use are acquired or disposed of. (b) Where real property or right-of-use assets thereof for business use are acquired or disposed of. 5. Percentages of the total asset value referred to in the regulations prescribed in these Procedures shall be calculated based on the total asset value indicated in the most recent parent company only financial statement or individual financial statement prepared in accordance with the Regulations Governing the Preparation of Financial	restored, or other types of evidence prove that no unreasonable circumstances exist. (h) If other types of evidence indicate that irregular business practices exist with regard to the acquisition of real property from related parties by the Corporation, matters shall be handled in accordance with the regulations set forth in Clause (f) and (g) of this paragraph. 4. Decision-making authority and executive units Acquisition or disposal of operating facilities between the Corporation and its subsidiaries shall be executed upon approval of relevant data that are inspected and submitted by the Accounting Division or other relevant departments by the board of directors. The Chairman shall be authorized to make prior decisions regarding transactions of a value of less than NT\$ 300 million. Such transactions shall be confirmed by the next board meeting. Where equipment or right-of-use assets thereof for business use are acquired or disposed of. Where real property or right-of-use assets thereof for business use are acquired or disposed of. 5. Percentages of the total asset value referred to in the regulations prescribed in these Procedures shall be calculated based on the total asset value indicated in the most recent parent company only financial statement or individual financial statement prepared in accordance with the Regulations Governing the Preparation of Financial

No.	After amendment	Before amendment
	Reports by Securities Issuers.	Reports by Securities Issuers.
Article 9	Procedures governing the acquisition or disposal of memberships or intangible assets 1. Appraisal and operating procedures (a) When acquiring or disposing of memberships, transaction terms and prices shall be recommended based on fair market prices and shall be compiled into an analysis report. Transactions of a value of less than NT\$ 3 million shall be approved by the General Manager and reported to the next board meeting after completion of said transaction to be approved for future reference. Transactions of a value of more than NT\$ 3 million shall be approved by a board meeting before they are executed. (b) When acquiring or disposing of intangible assets, transaction terms and prices shall be recommended based on expert appraisal reports or fair market prices and shall be compiled into an analysis report to be submitted to the General Manager. Transactions of a value of less than NT\$ 3 million shall be approved by the General Manager and reported to the next board meeting after completion of said transaction to be approved for future reference. Transactions of a value of more than NT\$ 3 million shall be approved by a board meeting before they are executed. 2. Expert appraisal reports and opinions for memberships or intangible assets (a) When acquiring or disposing of intangible assets, the Corporation shall obtain appraisal reports issued by	Procedures governing the acquisition or disposal of memberships or intangible assets 1. Appraisal and operating procedures (a) When acquiring or disposing of memberships, transaction terms and prices shall be recommended based on fair market prices and shall be compiled into an analysis report. Transactions of a value of less than NT\$ 3 million shall be approved by the General Manager and reported to the next board meeting after completion of said transaction to be approved for future reference. Transactions of a value of more than NT\$ 3 million shall be approved by a board meeting before they are executed. (b) When acquiring or disposing of intangible assets, transaction terms and prices shall be recommended based on expert appraisal reports or fair market prices and shall be compiled into an analysis report to be submitted to the General Manager. Transactions of a value of less than NT\$ 3 million shall be approved by the General Manager and reported to the next board meeting after completion of said transaction to be approved for future reference. Transactions of a value of more than NT\$ 3 million shall be approved by a board meeting before they are executed. 2. Expert appraisal reports and opinions for memberships or intangible assets (a) When acquiring or disposing of intangible assets, the Corporation shall obtain appraisal reports issued by

No.	After amendment	Before amendment
	experts. (b) Unless memberships or intangible assets are acquired or disposed of through transactions with a government agency, accountants shall be hired to render opinions regarding the reasonableness of transaction prices before the occurrence date for transaction values exceeding 20% of the total paid-in capital or NT\$ 300 million. (c) If the Corporation acquires or disposes of assets through foreclosure auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants. 3. Executive units Acquisitions and disposals of memberships or intangible assets shall be executed upon submission for approval by the Accounting Division in accordance with the authority levels specified in Paragraph 1.	experts. (b) Unless memberships or intangible assets are acquired or disposed of through transactions with a government agency, accountants shall be hired to render opinions regarding the reasonableness of transaction prices <u>in accordance with the provisions prescribed in Statement on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation</u> before the occurrence date for transaction values exceeding 20% of the total paid-in capital or NT\$ 300 million. (c) If the Corporation acquires or disposes of assets through foreclosure auction procedures, certificates issued by the court may replace appraisal reports or the opinions of accountants. 3. Executive units Acquisitions and disposals of memberships or intangible assets shall be executed upon submission for approval by the Accounting Division in accordance with the authority levels specified in Paragraph 1.
Article 9-1	The calculation of transaction amounts referred to in Article 6, 7, and 9 and Article 8, Paragraph 1 shall be handled in accordance with the regulations set forth in Article 12, Paragraph 1, Clause 5. “Within the last year” as used herein shall refer to one year calculated backwards from the occurrence date of this transaction. Items for which an appraisal report from a professional appraiser or the opinion of an accountant has been obtained in accordance with	The calculation of transaction amounts referred to in Article 6, 7, and 9 and Article 8, Paragraph 1 shall be handled in accordance with the regulations set forth in Article 12, Paragraph 1, Clause 5. “Within the last year” as used herein shall refer to one year calculated backwards from the occurrence date of this transaction. Items for which an appraisal report from a professional appraiser or the opinion of an accountant has been obtained in accordance with

No.	After amendment	Before amendment
	these Procedures need not be counted toward the transaction amount. The calculation of transaction amounts referred to in Article 8, Paragraph 2 shall be handled in accordance with the regulations set forth in Article 12, Paragraph 1, Clause 5. “Within the last year” as used herein shall refer to one year calculated back from the occurrence date of this transaction. Items that have been approved by the board of directors and confirmed by <u>the shareholders’ meeting or the audit committee</u> in accordance with these Procedures need not be counted toward the transaction amount.	these Procedures need not be counted toward the transaction amount. The calculation of transaction amounts referred to in Article 8, Paragraph 2 shall be handled in accordance with the regulations set forth in Article 12, Paragraph 1, Clause 5. “Within the last year” as used herein shall refer to one year calculated back from the occurrence date of this transaction. Items that have been approved by the board of directors and confirmed by the audit committee in accordance with these Procedures need not be counted toward the transaction amount.
Article 12	Procedures governing the public disclosure of information 1. Items to be publicly announced and reported and relevant standards (a) Transaction amounts for real property acquired or disposed of from or to a related party as well as assets other than real property acquired or disposed of from or to a related party exceed 20% of the total paid-in capital of the Corporation, 10% of the total asset value, or NT\$ 300 million. These regulations shall not apply to trading of government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (b) Mergers, demergers, acquisitions, or transfer of shares. (c) Losses incurred due to the trading of derivatives reach the upper limits for all contracts or individual contracts as set out in Article 10, Paragraph 1, Clause (f). (d) Acquisition or disposal of operating	Procedures governing the public disclosure of information 1. Items to be publicly announced and reported and relevant standards (a) Transaction amounts for real property acquired or disposed of from or to a related party as well as assets other than real property acquired or disposed of from or to a related party exceed 20% of the total paid-in capital of the Corporation, 10% of the total asset value, or NT\$ 300 million. These regulations shall not apply to trading of government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (b) Mergers, demergers, acquisitions, or transfer of shares. (c) Losses incurred due to the trading of derivatives reach the upper limits for all contracts or individual contracts as set out in Article 10, Paragraph 1, Clause (f).

No.	After amendment	Before amendment
	facilities if the transaction party is not a related party and transaction amounts fall short of NT\$ 500 million. (e) If real property is acquired through commissioned construction on owned or rented land, joint construction and allocation of housing units or ownership percentages or separate sale with projected transaction amounts of less than NT\$ 500 million. (f) Asset transactions or investments in Mainland China not stated in the preceding five clauses if transaction amounts exceed 20% of the total paid-in capital of the Corporation or NT\$ 300 million. This shall not apply to the following conditions: (1) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> (2) Bonds under repurchase or resale agreements, or subscription or redemption of money market issued by domestic securities investment trust enterprises. (g) The transaction amounts specified in the preceding six clauses shall be calculated as follows: (1) Amount of any individual transaction. (2) Cumulative transaction amount through acquisitions and disposals of the same type of underlying asset with the same trading counterpart within the last year. (3) Cumulative transaction amount through acquisitions or disposals (acquisitions and disposals cumulated separately) of real property of the same	(d) Acquisition or disposal of operating facilities if the transaction party is not a related party and transaction amounts fall short of NT\$ 500 million. (e) If real property is acquired through commissioned construction on owned or rented land, joint construction and allocation of housing units or ownership percentages or separate sale with projected transaction amounts of less than NT\$ 500 million. (f) Asset transactions or investments in Mainland China not stated in the preceding five clauses if transaction amounts exceed 20% of the total paid-in capital of the Corporation or NT\$ 300 million. This shall not apply to the following conditions: (1) Trading of domestic government bonds. (2) Bonds under repurchase or resale agreements, or subscription or redemption of money market issued by domestic securities investment trust enterprises. (g) The transaction amounts specified in the preceding six clauses shall be calculated as follows: (1) Amount of any individual transaction. (2) Cumulative transaction amount through acquisitions and disposals of the same type of underlying asset with the same trading counterpart within the last year. (3) Cumulative transaction amount through acquisitions or disposals (acquisitions and disposals cumulated separately) of real property of the same development program within the last

No.	After amendment	Before amendment
	development program within the last year. (4) Cumulative transaction amount through acquisitions or disposals (acquisitions and disposals cumulated separately) of the same security type within the last year. (h) “Within the last year” as used herein shall refer to one year calculated back from the occurrence date of this transaction. Items already announced in accordance with these Procedures need not be counted toward the transaction amount. 2. Time limits for public announcements and reports Public announcements and reports for asset acquisitions and disposals as specified in Clause (a) – (h) of the preceding paragraph shall be issued within two days after occurrence. 3. Announcement and reporting procedures (a) This Corporation shall announce and report relevant information on the website designated by the Financial Supervisory Commission. (b) This Corporation shall post information pertaining to derivative trading conducted by itself and its subsidiaries that are not domestic public companies until the end of the previous month on the information reporting website designated by the Financial Supervisory Commission by the tenth of every month. (c) In case of necessary corrections of errors and omissions in required items for public announcements, the	year. (4) Cumulative transaction amount through acquisitions or disposals (acquisitions and disposals cumulated separately) of the same security type within the last year. (h) “Within the last year” as used herein shall refer to one year calculated back from the occurrence date of this transaction. Items already announced in accordance with these Procedures need not be counted toward the transaction amount. 2. Time limits for public announcements and reports Public announcements and reports for asset acquisitions and disposals as specified in Clause (a) – (h) of the preceding paragraph shall be issued within two days after occurrence. 3. Announcement and reporting procedures (a) This Corporation shall announce and report relevant information on the website designated by the Financial Supervisory Commission. (b) This Corporation shall post information pertaining to derivative trading conducted by itself and its subsidiaries that are not domestic public companies until the end of the previous month on the information reporting website designated by the Financial Supervisory Commission by the tenth of every month. (c) In case of necessary corrections of errors and omissions in required items for public announcements, the

No.	After amendment	Before amendment
	Corporation shall re- announce all required items within two days counting inclusively from the date of knowing of such error or omission. (d) Upon public announcement of transactions in accordance with relevant regulations, the Corporation shall announce information related to the following circumstances on the website designated by FSC within two days upon occurrence: (1) Modification, termination, or rescission of contracts related to original transactions. (2) Failure to complete mergers, demergers, acquisitions, or transfer of shares by the scheduled date stipulated in the contract. (3) Modification of the contents of original announcements or reports. (4) Announcements format This Corporation makes announcements based on the items and contents set out in these Procedures. Formats are based on the Regulations Governing the Acquisition and Disposal of Assets by Public Companies in the appendix.	Corporation shall re- announce all required items within two days counting inclusively from the date of knowing of such error or omission. (d) Upon public announcement of transactions in accordance with relevant regulations, the Corporation shall announce information related to the following circumstances on the website designated by FSC within two days upon occurrence: (1) Modification, termination, or rescission of contracts related to original transactions. (2) Failure to complete mergers, demergers, acquisitions, or transfer of shares by the scheduled date stipulated in the contract. (3) Modification of the contents of original announcements or reports. (4) Announcements format This Corporation makes announcements based on the items and contents set out in these Procedures. Formats are based on the Regulations Governing the Acquisition and Disposal of Assets by Public Companies in the appendix.

4. To approve the amendment to the “Procedures Governing Loans of Funds to Others” and the “Procedures Governing Endorsements/Guarantees” of the Company.

Explanation:

- (1) Pursuant to the “Q and A of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by the Financial Supervisory Commission on December 24, 2021, which amend the standard of announcement declaration by public companies or its about new added loans of funds to others or governing endorsements/guarantees, the Company shall amend the company bylaw of “Procedures Governing Loans of Funds to Others” and the “Procedures Governing Endorsements/Guarantees”. Please refer to the attached Article Amendments Tables for amended articles.
- (2) This proposal has been approved by the 13th meeting of the eighteenth-term Board of Directors on March 7, 2022.
- (3) The proposal is hereby presented for referendum.

Resolutions:

Amendments Table of “Procedures Governing Loans of Funds to Others”

No.	After amendment	Before amendment
Article 8	(Public announcement and reporting procedures) This Corporation shall publicly announce and report the aggregate balance of loans extended by itself and its subsidiaries in the previous month by the 10th of every month. Public announcements and reports shall be made within two days after the occurrence date if loans of funds extended by this Corporation meet one of the following criteria: 1. The balance of loans extended by this Corporation and its subsidiaries exceeds 20% of the net value as stated in the latest financial statement. 2. The balance of loans extended by this Corporation and its subsidiaries to a single enterprise exceeds 10% of the net value as stated in the latest financial statement. 3. The total amount of <u>new loan(s)</u> extended by this Corporation or its subsidiaries exceeds NT\$ 10 million or 2% of the net value as stated in the latest financial statement. If subsidiaries of this Corporation are not domestic public companies, public announcements in accordance with Clause 3 of the preceding paragraph shall be made by this Corporation on their behalf. The term “public announcements and reports” as used in these procedures shall refer to the posting of relevant information on the information reporting website designated by the Financial Supervisory Commission. The term “ Occurrence date” as used in	(Public announcement and reporting procedures) This Corporation shall publicly announce and report the aggregate balance of loans extended by itself and its subsidiaries in the previous month by the 10th of every month. Public announcements and reports shall be made within two days after the occurrence date if loans of funds extended by this Corporation meet one of the following criteria: 1. The balance of loans extended by this Corporation and its subsidiaries exceeds 20% of the net value as stated in the latest financial statement. 2. The balance of loans extended by this Corporation and its subsidiaries to a single enterprise exceeds 10% of the net value as stated in the latest financial statement. 3. The total amount of <u>a new loan</u> extended by this Corporation or its subsidiaries exceeds NT\$ 10 million or 2% of the net value as stated in the latest financial statement. If subsidiaries of this Corporation are not domestic public companies, public announcements in accordance with Clause 3 of the preceding paragraph shall be made by this Corporation on their behalf. The term “public announcements and reports” as used in these procedures shall refer to the posting of relevant information on the information reporting website designated by the Financial Supervisory Commission. The term “ Occurrence date” as used in

No.	After amendment	Before amendment
	these procedures shall refer to the date of contract signing, date of payment, dates of board resolutions, or other dates which determine transaction counterparties and amounts, whichever date is earlier. This Corporation shall assess loan conditions and establish sufficient allowances for uncollectible accounts, disclose relevant information in financial statements in an adequate manner, as well as provide relevant data for required audit procedures conducted by a CPA.	these procedures shall refer to the date of contract signing, date of payment, dates of board resolutions, or other dates which determine transaction counterparties and amounts, whichever date is earlier. This Corporation shall assess loan conditions and establish sufficient allowances for uncollectible accounts, disclose relevant information in financial statements in an adequate manner, as well as provide relevant data for required audit procedures conducted by a CPA.

Amendments Table of “Procedures Governing Endorsements/Guarantees”

No.	After amendment	Before amendment
Article 8	This Corporation shall publicly announce and report the aggregate balance of endorsements/guarantees provided by itself and its subsidiaries in the previous month by the 10th of every month. Public announcements and reports shall be made within two days after the occurrence date if endorsements/guarantees provided by this Corporation meet one of the following criteria: I. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries exceeds 50% of the net value as stated in the most recent financial statement II. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries for a single enterprise exceeds 20% of the net value as stated in the most recent financial statement. III. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries for a single enterprise exceeds NT\$ 10 million and the aggregate amount of endorsements/guarantees to, long-term investments in, and loan balance with said enterprise exceeds 30% of the net value as stated in the most recent financial statement. IV. The newly added endorsement/guarantee amounts of	This Corporation shall publicly announce and report the aggregate balance of endorsements/guarantees provided by itself and its subsidiaries in the previous month by the 10th of every month. Public announcements and reports shall be made within two days after the occurrence date if endorsements/guarantees provided by this Corporation meet one of the following criteria: I. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries exceeds 50% of the net value as stated in the most recent financial statement II. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries for a single enterprise exceeds 20% of the net value as stated in the most recent financial statement. III. The balance of endorsements/guarantees provided by this Corporation and its subsidiaries for a single enterprise exceeds NT\$ 10 million and the aggregate amount of endorsements/guarantees to, long-term investments in, and loan balance with said enterprise exceeds 30% of the net value as stated in the most recent financial statement. IV. <u>One of</u> the newly added endorsement/guarantee amounts of

No.	After amendment	Before amendment
	this Corporation or its subsidiaries exceed NT\$ 30 million or 5% of the net value as stated in the most recent financial statement. If subsidiaries of this Corporation are not domestic public companies, public announcements in accordance with Clause 4 of the preceding paragraph shall be made by this Corporation on their behalf. The term “public announcements and reports” as used in these procedures shall refer to the posting of relevant information on the information reporting website designated by the Financial Supervisory Commission. The term “ Occurrence date” as used in these procedures shall refer to the date of contract signing, date of payment, dates of board resolutions, or other dates which determine transaction counterparties and amounts, whichever date is earlier. The corporation shall assess or record losses incurred due to endorsements/guarantees and disclose information pertaining to endorsements/guarantees in an adequate manner in financial statements as well as provide relevant data for required audit procedures conducted by a CPA.	this Corporation or its subsidiaries exceed NT\$ 30 million or 5% of the net value as stated in the most recent financial statement. If subsidiaries of this Corporation are not domestic public companies, public announcements in accordance with Clause 4 of the preceding paragraph shall be made by this Corporation on their behalf. The term “public announcements and reports” as used in these procedures shall refer to the posting of relevant information on the information reporting website designated by the Financial Supervisory Commission. The term “ Occurrence date” as used in these procedures shall refer to the date of contract signing, date of payment, dates of board resolutions, or other dates which determine transaction counterparties and amounts, whichever date is earlier. The corporation shall assess or record losses incurred due to endorsements/guarantees and disclose information pertaining to endorsements/guarantees in an adequate manner in financial statements as well as provide relevant data for required audit procedures conducted by a CPA.

5. To elect Directors (including Independent Directors) of the Company.

Explanation:

- (1) The 16th term Directors were elected and appointed at the 2019 Annual General Shareholders' Meeting, serving a term of three years and the tenure will expire. The Board of Directors resolved that Directors be elected at this Annual General Shareholders' Meeting.
- (2) According to Article 16 of the "Articles of Incorporation", 11 Directors (including 3 Independent Directors) shall be elected, and each Director will serve a three year term beginning from June 8, 2022.
- (3) Director and Independent Director candidates shall be nominated by the candidate nomination system. The Board of Directors or any shareholder with 1% shareholding or more may nominate candidates. The period for candidate nomination of Directors and Independent Directors to be elected in this coming Shareholders' Meeting is from April 1, 2022 to April 11, 2022. During this period, the Board of Directors has received the nomination of 8 Director candidates and 3 Independent Director candidates from the shareholder, Asia Cement Corporation. The Board has reviewed the candidate list of Directors and Independent Directors in the 14th meeting of the eighteenth-term Board of Directors on April 27, 2022. And the list also be announced publicly in accordance with the law.
- (4) Please refer to the following table for the candidate list.
- (5) Please elect.

Resolutions:

List of The 19th Term Director (including Independent Director) Candidates

No	Type	Candidate	Education	Major Experiences	Current position	Name of Institutional Shareholders
1	Director	Hsu, Shu-Tong	Master, University of Notre Dame, USA	● Chairman, Far Eastern New Century Corp. ● Chairman, Asia Cement Corp. ● Chairman, Far EasTone Telecommunications Co., Ltd.	● Chairman, Far Eastern New Century Corp. ● Chairman, Asia Cement Corp. ● Chairman, Far EasTone Telecommunications Co., Ltd.	N/A
2	Director	Hsu, Shu-Ping	Master in Operation Research, Stanford University, USA	● Vice President, Ding & Ding Management Consults Co., Ltd.	● Vice Chairman, Far Eastern New Century Corp. ● President, Ding & Ding Management Consults Co., Ltd.	N/A
3	Director	Chang , Tsai-Hsiung	Mechanical Technology Section, National Central Industrial College (Chongqing)	● CEO, Asia Cement (China) Holdings Corp. ● President, Asia Cement Corp.	● Occupational Executive Director, Asia Cement Corp.	Asia Cement Corp.
4	Director	Lee, Kun-Yen	Yi-Lan Sanxing Elementary School	● Director, Tamkang University ● Supervisor, Far Eastern New Century Corp. ● Chairman, Ya Tung	● Director, Asia Cement Corp. ● President, Asia Cement Corp.	Asia Cement Corp.

No	Type	Candidate	Education	Major Experiences	Current position	Name of Institutional Shareholders
				Ready-Mixed Concrete Corp.		
5	Director	Douglas Jefferson Hsu	MBA, University of Notre Dame, USA	● In the US, had been employed by new funded high technology company, Nestle, DENSO, KIA Motors and Target, under the position of strategy and design consultant. ● Served at United States Marine Corps, Ranked Captain	● CIO, Far Eastern Group ● Director, Far Eastone Telecommunications Co., Ltd. ● Executive Vice President, U-Ming Marine Transport Corp.	Asia Cement Corp.
6	Director	Ong Choo Kiat	Bachelor of Industrial and Business Management, Nanyang University, Republic of Singapore	● Supervisor, Far Eastone Telecommunications Co., Ltd.	● Director, Global Energy Marine Transport Corp. ● Director, The Steamship Mutual Underwriting Association ● President, U-Ming Marine Transport Corp.	Yue Ding Industry Co., Ltd.
7	Director	Lee, Kuan-Chun	Master in Business Administration, Texas A&I	● Supervisor, Far Eastern New Century Corp.	● Director, Far Eastern New Century Corp. ● Director, Far Eastone	Yuan Ding Investment Corp.

No	Type	Candidate	Education	Major Experiences	Current position	Name of Institutional Shareholders
			University, USA		Telecommunications Co., Ltd. ● Director, Asia Cement Corp.	
8	Director	Tung, Li-Chen	Commercial Science, National Taiwan University	● Certified Accountant and Vice Chairman, Deloitte & Touche Taiwan ● Director, IFA Chinese Taipei, Taiwan	● Secretary-general, Far Eastern Medical Foundation ● Supervisor, Yuan Ze University ● Chairman, Yu Chang Technical & Commercial Vocational Senior High School	Far Eastern Construction Company
9	Independent Director	Pan, Wen-Yen	Ph.D. in Chemical Engineering, University of Wyoming, USA	● Chairman, CPC Corp., Taiwan ● Chairman, Gintech Energy Corp.	● Chairman, CTCI Foundation	N/A
10	Independent Director	Chu, Shao-Hua	M.S., Chemical Engineering and Petroleum Refining, Colorado School of Mines, USA	● Executive Director, Taiwan Institute of Chemical Engineers ● Chairman, CPC Corp., Taiwan ● Chairman, Chinese Petroleum Institute (Taiwan)	● Chairman, Chun Pin Enterprise Co., Ltd.	N/A

No	Type	Candidate	Education	Major Experiences	Current position	Name of Institutional Shareholders
11	Independent Director	Liu, Chorng-Jian	Ph.D. in Socio-economic Planning, University of Tsukuba, Japan	● Commissioner, National Communications Commission ● Secretary General, Taiwan Telecommunication Industry Development Association ● Consultant, Industrial Economics and Knowledge Center, Industrial Technology Research Institute	● Professor, Department of Economics, National Taipei University	N/A

6. To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.

Explanation:

- (1) This is processed in accordance with Paragraph 1 of Article 209 of the Company Act: “A director who acts for himself or on behalf of another person in a manner that is within the scope of the company’s business shall explain to the shareholders’ meeting the essential contents of such act and obtain the approval from shareholders’ meeting”.
- (2) The new Directors of the company are investing in or managing other companies and also acting as directors of such companies which are in the same or similar business as FENC (please refer to the following table). It is proposed to seek approval at the Shareholders’ Meeting to release new Directors and their representatives from the non-competition restriction.
- (3) Please approve.

Title	Name	Serve as Director/Chairman at other companies in the industry
Director	Hsu, Shu-Tong	Director, Global Energy Marine Transport Corp.
		Director, Cape Asia Ltd.
		Director, Cape Asia Newbuildings (III) Ltd.
		Director, Winyield Investment Ltd.
Director	Chang , Tsai-Hsiung (Representative of Asia Cement Corp.)	Chairman, Wuhan Asia Marine Transport Corp. Ltd.
Director	Douglas Jefferson Hsu (Representative of Asia Cement Corp.)	Director, Global Energy Marine Transport Corp.
Director	Ong Choo Kiat (Representative of Yue Ding Industry Co., Ltd.)	Director, Global Energy Marine Transport Corp.
		Director, Winyield Investment Ltd.
		Director, ITG-Uming (Xiamen) Shipping Co., Ltd.
		Director, ITG-Uming Shipping Co., Ltd.

Resolutions: