



長榮國際儲運股份有限公司  
EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORP.

Stock Code : 2607

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

**2014 Annual General Meeting of Shareholders**

**Agenda Handbook**

**June 12, 2014**

(This translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

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# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **2014 Annual General Meeting of Shareholders**

Date & Time: 9:00 a.m., June 12, 2014 (Thursday)

Venue: Conference Hall (the 6<sup>th</sup> floor)

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT  
CORPORATION

No. 100, Sec. 2, Hsin-Nan Road, Lu-Chu, Taoyuan County, Taiwan.  
(R.O.C)

Shareholders present: Shareholders present by themselves or by proxy at the meeting represent \_\_\_\_\_ shares and account for \_\_\_\_% of the total issued shares of the Company which amount to 1,067,141,094 shares.

Chairman: Mr. Chen, Ching-Piao

### **A. Report of Shareholders Presented and Call Meeting to Order.**

### **B. Chairman's Address.**

### **C. Matters for Report:**

1. Business Report of the year 2013. (as the attached Page 6-7)
2. Supervisors' Report of the year 2013. (as the attached Page 25)

### **D. Matters for Acknowledgement:**

Submitted by the Board of Directors

Proposal I: It is proposed to acknowledge the Business Report and Financial Statements of the year 2013. (as the attached Page 6-23)

Explanation: The Financial Statements of the Company of the year 2013 which had been audited and certified by the CPA firm of PricewaterhouseCoopers, Taiwan, and the Business Report of the year 2013 were audited and acknowledged by the supervisors. The supervisors also submitted the report of audit as attached.

Resolution:

Submitted by the Board of Directors

Proposal II: It is proposed to acknowledge the profit allocation proposal of the year 2013 as the Statement of Earnings Appropriation. (as the attached Page 24)

Explanation:

1. Profit of the Company for the year ended 2013 is NT\$580,652,641. After adding unappropriated retained earnings of previous years under IFRSs and reversal for special reserve, deducting adjustments for retained earnings of year 2013 and subtracting legal reserve, the appropriable earnings for the year ended Dec. 31, 2013 is NT\$2,504,173,197. The profit allocation proposal according to the Company Law and Articles of Incorporation is as follows:
  - (1) Cash dividends: NT\$320,142,329. Each share shall be distributed NT\$0.3.
  - (2) Remuneration to Directors and Supervisors: NT\$ 5,000,000.
  - (3) Bonuses to employees: NT\$ 15,000,000.The fractional amount less than NT\$1 will be set aside as Company's non-operating revenue in distribution of cash dividends.
2. In the event that the total amount of shares outstanding of the Company is affected by the buyback of the Company's shares, transfer, conversion, cancellation of treasury shares or equity conversion in connection with issuance of convertible corporate bonds, necessitating adjustments in the cash distribution ratio, it is proposed that the Chairman of the Board be authorized to manage the change in the cash distribution ratio.
3. The Board of Directors will decide the record date and the payment date for distribution of cash dividends.

Resolution:

**E. Matters for Discussion:**

Submitted by the Board of Directors

Proposal I: It is proposed to amend the "Procedures for Acquiring and

Disposing of Assets” referring to the contrast table attached. (as the attached page 26-44)

Explanation: The amendments are made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by Order No. Financial-Supervisory-Securities-Corporate-1020053073 promulgated by FSC on December 30, 2013.

Resolution:

Submitted by the Board of Directors

Proposal II: It is proposed to amend the “Procedures for Transaction of Derivative Products” (hereinafter referred to as “the Procedures”) referring to the contrast table attached. (as the attached page 45-48)

Explanation: As the Procedures is set forth in accordance with Article 11 of “Procedures for Acquiring and Disposing of Assets” as prescribed by the Company, the amendments of the Procedures are made in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by Order No. Financial-Supervisory- Securities- Corporate- 1020053073 promulgated by “FSC” on December 30, 2013.

Resolution:

Submitted by the Board of Directors

Proposal III: It is proposed to amend the “Procedures for Fund Lending, Endorsement and Guarantee” referring to the contrast table attached. (as the attached page 49-54)

Explanation: To amend wordings of Article 9, Article 16, Article 18, and Article 26 since the Company establishes the position of independent directors.

Resolution:

## **F. Matter for Election:**

Submitted by the Board of Directors

Proposal: It is proposed to re-elect the directors and supervisors of the Company.

Explanation:

1. Since the term of office of the current directors and supervisors is going to expire on June 14, 2014, it is proposed to re-elect nine directors (including 3 independent directors) and two supervisors according to the provisions of the Articles of Incorporation of the Company. The election of the directors and supervisors is conducted under the “candidate nomination system”. The directors and supervisors shall be elected from the nominated candidates. The new directors and supervisors, whose term of office shall be three years from June 12, 2014 to June 11, 2017, shall take office after Annual General Meeting of Shareholders, and the current directors and supervisors shall be discharged simultaneously.
2. The Board meeting has reviewed and approved the roster of candidates submitted by the shareholders on April 24, 2014. The roster of directors (including independent directors) and supervisors candidates is as the attached Page 55-57.

Election Results:

## **G. Other Motion**

Submitted by the Board of Directors

Proposal: It is proposed to lift the restriction of “non-competition” for the newly elected directors.

Explanation:

1. In accordance with Article 209 of the Company Law, a director who does business that is within the scope of the Company’s business for himself/herself or on behalf of another person, shall explain to the shareholders the essential contents of such act and secure the shareholders’ approval.

2. It is proposed to approve this proposal because the aforesaid conduct of the newly elected directors will not damage the Company's benefit.

(The business and its essential contents the newly directors engaged in other company shall be presented before resolving according to the consequence of election.)

Resolution:

## **H. Matters for Extraordinary Motion.**

### **I. Dismiss the Meeting.**

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **BUSINESS REPORT OF THE YEAR 2013**

### **Business Performance Review**

#### **1. Financial Result:**

In 2013, EITC's consolidated revenue reached NT\$6,113 million, broken down by sector below:

Ship chartering: NT\$1,729 million (or, 28.29%)

Inland transportation: NT\$1,343 million (or, 21.97%)

Container yard service NT\$1,219 million (or, 19.93%)

Gas station sale: NT\$919 million (or, 15.04%)

Passenger transportation NT\$365 million (or, 5.98%)

Storage and warehousing, NT\$264 million (or, 4.31%)

Others: NT\$274 million (or, 4.48%)

The short-term solvency ratio for the year 2013 was 985.17% (the Company has consistently kept this ratio above 100% in the past five years), and the debt to assets ratio was as low as 17.64%. These two indicators demonstrate EITC's strong financial position for business development and its ability to cope with future challenges.

Economic recovery in the U.S. and more stable oil prices in the last year have had a positive impact on the Taiwanese economy. However, such gains were offset by significant depreciation of the Japanese Yen and other economical factors. Consequently, Taiwan experienced a very small growth in export in 2013.

According to the Bureau of Statistics of the Ministry of Finance, the aggregated amount of Taiwan's annual foreign trade in 2013 was US\$ 575.6 billion, representing a YoY growth rate of 0.66%. The export trade amount was US\$ 305.5 billion, yielding a 1.4% YoY growth rate, whereas the import trade was US\$ 270.1 billion with a YoY decline rate of 0.1%.

EITC has continuously demonstrated improvement in business performance (e.g. CY/CFS terminal operation, inland transportation and port stevedore operation) despite facing severe market competition in recent years.

The overall service quality enhancements and cost-saving policy have been successfully executed as a result of good teamwork and the leadership of supervisors. The other non-core businesses, such as passenger transportation, gas stations, tire shops, automobile maintenance & repair stations and vehicle inspection, have also delivered satisfactory business results.

## 2. Review on Budget Implementation

The consolidated revenue of 2013 was originally projected at NT\$ 6,184 million; the actual revenue was NT\$ 6,113 million (98.85% of projected amount). The PBT (Profit before Tax) was projected at NT\$ 720 million, and the actual PBT was NT\$ 676 million, reaching 93.89% of its projection.

## 3. Financial Statement and Profitability Analysis

### (1) Financial Statement

Under the joint efforts of all staff, EITC has reached total revenue of NT\$ 6,113 million in 2013 representing a 0.14% YoY growth rate. Such growth occurred amidst a sluggish global economy, and a lagging export business. Operating costs were NT\$ 5,324 million which were 0.48% higher than those in the previous year. Non-operating profit was NT\$ 158 million, 32.07% higher than year 2012; PAT (Profit after Tax) was NT\$ 581 million, 2.08% less than year 2012.

### (2) Profitability Analysis

In 2013, EITC's return ratio on total assets was 2.46%, return ratio on equity was 2.97%, profit after tax vs. net sales was 9.51% and the earnings per share was NT\$0.54.

## 4. Research & Development Plan

EITC is categorized as a port/container terminal operator, inland transportation carrier, and an integrated logistic service provider. In order to enhance service quality and improve the efficiency, the Company is not only providing the customers with on-line service but is also continuously improving and updating its operation equipment.

The Business Department continues to aggressively explore new business opportunities through cargo solicitation, domestic tour bus business promotion, visiting program of new ocean carriers, etc. The main goal and priority of Management is to maintain steady business growth and strong financial results.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

|                    |                                    |            | December 31, 2013 |            | December 31, 2012 |        | January 1, 2012 |        |    |            |     |
|--------------------|------------------------------------|------------|-------------------|------------|-------------------|--------|-----------------|--------|----|------------|-----|
| Assets             |                                    |            | Notes             | AMOUNT     | %                 | AMOUNT | %               | AMOUNT | %  |            |     |
| Current assets     |                                    |            |                   |            |                   |        |                 |        |    |            |     |
| 1100               | Cash and cash equivalents          | 6(1)       | \$                | 493,464    | 2                 | \$     | 912,124         | 4      | \$ | 1,113,802  | 5   |
| 1125               | Available-for-sale financial       | 6(2)       |                   |            |                   |        |                 |        |    |            |     |
|                    | assets - current                   |            |                   | 1,142,750  | 5                 |        | 1,024,371       | 5      |    | 975,200    | 4   |
| 1150               | Notes receivable, net              |            |                   | 12,061     | -                 |        | 22,214          | -      |    | 17,071     | -   |
| 1170               | Accounts receivable, net           | 6(4)       |                   | 191,074    | 1                 |        | 193,053         | 1      |    | 170,198    | 1   |
| 1180               | Accounts receivable, net -         | 6(4) and 7 |                   |            |                   |        |                 |        |    |            |     |
|                    | related parties                    |            |                   | 193,845    | 1                 |        | 210,222         | 1      |    | 210,496    | 1   |
| 1200               | Other receivables                  |            |                   | 23,056     | -                 |        | 3,307           | -      |    | 3,963      | -   |
| 130X               | Inventories                        |            |                   | 42,140     | -                 |        | 33,887          | -      |    | 32,938     | -   |
| 1410               | Prepayments                        |            |                   | 16,974     | -                 |        | 11,382          | -      |    | 13,900     | -   |
| 1470               | Other current assets               |            |                   | 735        | -                 |        | 236             | -      |    | 415        | -   |
| 11XX               | Total Current Assets               |            |                   | 2,116,099  | 9                 |        | 2,410,796       | 11     |    | 2,537,983  | 11  |
| Non-current assets |                                    |            |                   |            |                   |        |                 |        |    |            |     |
| 1523               | Available-for-sale financial       | 6(2)       |                   |            |                   |        |                 |        |    |            |     |
|                    | assets - non-current               |            |                   | 967,555    | 4                 |        | 858,652         | 4      |    | 820,463    | 4   |
| 1543               | Financial assets carried at cost - | 6(3)       |                   |            |                   |        |                 |        |    |            |     |
|                    | non-current                        |            |                   | 5,357      | -                 |        | 5,357           | -      |    | 6,300      | -   |
| 1550               | Investments accounted for          | 6(5)       |                   |            |                   |        |                 |        |    |            |     |
|                    | using equity method                |            |                   | 9,460,928  | 41                |        | 8,888,299       | 39     |    | 9,070,300  | 40  |
| 1600               | Property, plant and equipment      | 6(6) and 7 |                   | 9,602,916  | 41                |        | 9,360,097       | 41     |    | 9,299,368  | 41  |
| 1760               | Investment property, net           | 6(7)       |                   | 729,650    | 3                 |        | 732,886         | 3      |    | 736,122    | 3   |
| 1780               | Intangible assets                  | 6(8)       |                   | 1,966      | -                 |        | 1,878           | -      |    | 2,783      | -   |
| 1840               | Deferred income tax assets         | 6(21)      |                   | 217,517    | 1                 |        | 171,540         | 1      |    | 138,201    | 1   |
| 1900               | Other non-current assets           | 8          |                   | 152,503    | 1                 |        | 151,616         | 1      |    | 106,298    | -   |
| 15XX               | Total Non-current Assets           |            |                   | 21,138,392 | 91                |        | 20,170,325      | 89     |    | 20,179,835 | 89  |
| 1XXX               | TOTAL ASSETS                       |            | \$                | 23,254,491 | 100               | \$     | 22,581,121      | 100    | \$ | 22,717,818 | 100 |

(Continued)

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity                                       |                                    | Notes    | December 31, 2013 |     | December 31, 2012 |     | January 1, 2012 |     |
|--------------------------------------------------------------|------------------------------------|----------|-------------------|-----|-------------------|-----|-----------------|-----|
|                                                              |                                    |          | AMOUNT            | %   | AMOUNT            | %   | AMOUNT          | %   |
| Current liabilities                                          |                                    |          |                   |     |                   |     |                 |     |
| 2150                                                         | Notes payable                      |          | \$ 2,410          | -   | \$ 171            | -   | \$ 2,308        | -   |
| 2160                                                         | Notes payable - related parties    |          | -                 | -   | 250               | -   | -               | -   |
| 2170                                                         | Accounts payable                   |          | 221,271           | 1   | 206,765           | 1   | 212,497         | 1   |
| 2180                                                         | Accounts payable - related parties | 7        | 22,928            | -   | 21,269            | -   | 23,201          | -   |
| 2200                                                         | Other payables                     |          | 188,813           | 1   | 183,380           | 1   | 186,959         | 1   |
| 2230                                                         | Current income tax liabilities     | 6(21)    | 11,811            | -   | 42,110            | -   | 63,285          | -   |
| 2300                                                         | Other current liabilities          |          | 22,545            | -   | 27,504            | -   | 24,936          | -   |
| 21XX                                                         | Total Current Liabilities          |          | 469,778           | 2   | 481,449           | 2   | 513,186         | 2   |
| Non-current liabilities                                      |                                    |          |                   |     |                   |     |                 |     |
| 2570                                                         | Deferred income tax liabilities    | 6(21)    | 1,893,872         | 8   | 1,838,085         | 8   | 1,842,483       | 8   |
| 2600                                                         | Other non-current liabilities      | 6(9)(10) | 1,265,072         | 6   | 1,002,055         | 5   | 811,248         | 4   |
| 25XX                                                         | Total Non-current Liabilities      |          | 3,158,944         | 14  | 2,840,140         | 13  | 2,653,731       | 12  |
| 2XXX                                                         | TOTAL LIABILITIES                  |          | 3,628,722         | 16  | 3,321,589         | 15  | 3,166,917       | 14  |
| Equity                                                       |                                    |          |                   |     |                   |     |                 |     |
| Capital stock                                                |                                    |          |                   |     |                   |     |                 |     |
| 3110                                                         | Common stock                       | 6(11)    | 10,671,411        | 46  | 10,671,411        | 47  | 10,671,411      | 47  |
| Capital surplus                                              |                                    |          |                   |     |                   |     |                 |     |
| 3200                                                         | Capital surplus                    | 6(12)    | 4,262,917         | 18  | 4,262,917         | 19  | 4,262,917       | 19  |
| Retained earnings                                            |                                    |          |                   |     |                   |     |                 |     |
| 3310                                                         | Legal reserve                      | 6(13)    | 1,742,563         | 8   | 1,691,423         | 8   | 1,610,084       | 7   |
| 3320                                                         | Special reserve                    |          | 785,326           | 3   | 271,969           | 1   | -               | -   |
| 3350                                                         | Unappropriated retained earnings   |          | 1,776,913         | 8   | 2,359,964         | 10  | 2,670,271       | 12  |
| Other equity interest                                        |                                    |          |                   |     |                   |     |                 |     |
| 3400                                                         | Other equity interest              | 6(14)    | 386,639           | 1   | 1,848             | -   | 336,218         | 1   |
| 3XXX                                                         | Total equity                       |          | 19,625,769        | 84  | 19,259,532        | 85  | 19,550,901      | 86  |
| Significant contingent liabilities and unrecognized contract |                                    |          |                   |     |                   |     |                 |     |
| Significant events after the balance sheet date              |                                    |          |                   |     |                   |     |                 |     |
| TOTAL LIABILITIES AND EQUITY                                 |                                    |          |                   |     |                   |     |                 |     |
|                                                              |                                    |          | \$ 23,254,491     | 100 | \$ 22,581,121     | 100 | \$ 22,717,818   | 100 |

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

|                                   |                                                                                                                      | For the years ended December 31 |               |         |                |        |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------|---------|----------------|--------|
|                                   |                                                                                                                      | 2013                            |               | 2012    |                |        |
|                                   | Notes                                                                                                                | AMOUNT                          | %             | AMOUNT  | %              |        |
| 4000                              | Operating revenue                                                                                                    | 6(15) and 7                     | \$ 4,498,773  | 100     | \$ 4,392,631   | 100    |
| 5000                              | Operating costs                                                                                                      | 6(19) and 7                     | ( 3,927,269 ) | ( 87 )  | ( 3,822,744 )  | ( 87 ) |
| 5900                              | Gross profit                                                                                                         |                                 | 571,504       | 13      | 569,887        | 13     |
| 6000                              | Operating expenses                                                                                                   | 6(19) and 7                     | ( 210,300 )   | ( 5 )   | ( 212,585 )    | ( 5 )  |
| 6900                              | Operating profit                                                                                                     |                                 | 361,204       | 8       | 357,302        | 8      |
| Non-operating income and expenses |                                                                                                                      |                                 |               |         |                |        |
| 7010                              | Other income                                                                                                         | 6(16)                           | 85,938        | 2       | 57,756         | 2      |
| 7020                              | Other gains and losses                                                                                               | 6(17)                           | 9,589         | -       | 13,669         | -      |
| 7050                              | Finance costs                                                                                                        | 6(18)                           | ( 976 )       | -       | ( 490 )        | -      |
| 7070                              | Share of profit of subsidiaries, associates and joint ventures accounted for using equity method                     | 6(5)                            |               |         |                |        |
|                                   |                                                                                                                      |                                 | 216,315       | 5       | 219,370        | 5      |
| 7000                              | Total non-operating income and expenses                                                                              |                                 | 310,866       | 7       | 290,305        | 7      |
| 7900                              | Profit before income tax                                                                                             |                                 | 672,070       | 15      | 647,607        | 15     |
| 7950                              | Income tax expense                                                                                                   | 6(21)                           | ( 91,417 )    | ( 2 )   | ( 56,805 )     | ( 1 )  |
| 8000                              | Profit for the year from continuing operations                                                                       |                                 | 580,653       | 13      | 590,802        | 14     |
| 8200                              | Profit for the year                                                                                                  |                                 | \$ 580,653    | 13      | \$ 590,802     | 14     |
| Other comprehensive income 6(14)  |                                                                                                                      |                                 |               |         |                |        |
| 8310                              | Financial statements translation differences of foreign operations                                                   |                                 | \$ 216,001    | 5       | ( \$ 339,355 ) | ( 8 )  |
| 8325                              | Unrealized gain on valuation of available-for-sale financial assets                                                  |                                 | 107,281       | 2       | 8,961          | -      |
| 8360                              | Actuarial loss on defined benefit plan                                                                               |                                 | ( 303,523 )   | ( 7 )   | ( 223,285 )    | ( 5 )  |
| 8380                              | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method |                                 | 49,271        | 1       | ( 54,979 )     | ( 1 )  |
| 8399                              | Income tax relating to the components of other comprehensive income                                                  | 6(21)                           | 36,834        | 1       | 46,629         | 1      |
| 8500                              | Total comprehensive income for the year                                                                              |                                 | \$ 686,517    | 15      | \$ 28,773      | 1      |
| Basic earnings per share 6(22)    |                                                                                                                      |                                 |               |         |                |        |
| 9750                              | Basic earnings per share (in dollars)                                                                                |                                 | \$ 0.54       | \$ 0.55 |                |        |
| 9850                              | Diluted earnings per share (in dollars)                                                                              |                                 | \$ 0.54       | \$ 0.55 |                |        |

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)

|                                                                                                    | Notes | Retained Earnings |                 |               |                 | Other equity interest            |                                                                    |                                                                |
|----------------------------------------------------------------------------------------------------|-------|-------------------|-----------------|---------------|-----------------|----------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------|
|                                                                                                    |       | Common stock      | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealized gain or loss on available-for-sale financial assets |
| <b>Year 2012</b>                                                                                   |       |                   |                 |               |                 |                                  |                                                                    |                                                                |
| Balance at January 1, 2012                                                                         |       | \$ 10,671,411     | \$ 4,262,917    | \$ 1,610,084  | \$ -            | \$ 2,670,271                     | \$ -                                                               | \$ 336,218                                                     |
| Appropriation of 2011 earnings                                                                     | 6(13) | -                 | -               | -             | -               | ( 81,339 )                       | -                                                                  | -                                                              |
| Legal reserve                                                                                      |       | -                 | -               | 81,339        | -               | ( 271,969 )                      | -                                                                  | -                                                              |
| Special reserve                                                                                    |       | -                 | -               | -             | 271,969         | ( 320,142 )                      | -                                                                  | ( 320,142 )                                                    |
| Cash dividends                                                                                     |       | -                 | -               | -             | -               | 590,802                          | -                                                                  | 590,802                                                        |
| Profit for the year                                                                                |       | -                 | -               | -             | -               | -                                | -                                                                  | -                                                              |
| Other comprehensive income (loss) for the year                                                     | 6(14) | -                 | -               | -             | -               | ( 227,659 )                      | ( 343,331 )                                                        | ( 8,961 )                                                      |
| Balance at December 31, 2012                                                                       |       | \$ 10,671,411     | \$ 4,262,917    | \$ 1,691,423  | \$ 271,969      | \$ 2,359,964                     | \$ 343,331                                                         | \$ 345,179                                                     |
| <b>Year 2013</b>                                                                                   |       |                   |                 |               |                 |                                  |                                                                    |                                                                |
| Balance at January 1, 2013                                                                         |       | \$ 10,671,411     | \$ 4,262,917    | \$ 1,691,423  | \$ 271,969      | \$ 2,359,964                     | \$ 343,331                                                         | \$ 345,179                                                     |
| Appropriation of 2012 earnings                                                                     | 6(13) | -                 | -               | -             | -               | ( 51,140 )                       | -                                                                  | -                                                              |
| Legal reserve                                                                                      |       | -                 | -               | 51,140        | -               | ( 513,357 )                      | -                                                                  | -                                                              |
| Special reserve                                                                                    |       | -                 | -               | -             | 513,357         | ( 320,142 )                      | -                                                                  | ( 320,142 )                                                    |
| Cash dividends                                                                                     |       | -                 | -               | -             | -               | -                                | -                                                                  | -                                                              |
| Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method | 6(13) | -                 | -               | -             | -               | -                                | -                                                                  | -                                                              |
| Profit for the year                                                                                |       | -                 | -               | -             | -               | ( 138 )                          | -                                                                  | ( 138 )                                                        |
| Other comprehensive income (loss) for the year                                                     | 6(14) | -                 | -               | -             | -               | 580,653                          | -                                                                  | 580,653                                                        |
| Balance at December 31, 2013                                                                       |       | \$ 10,671,411     | \$ 4,262,917    | \$ 1,742,563  | \$ 785,326      | ( 278,927 )                      | 222,605                                                            | 162,186                                                        |
|                                                                                                    |       |                   |                 |               |                 | \$ 1,776,913                     | \$ 120,726                                                         | \$ 507,365                                                     |
|                                                                                                    |       |                   |                 |               |                 |                                  |                                                                    | 105,864                                                        |
|                                                                                                    |       |                   |                 |               |                 |                                  |                                                                    | \$ 19,625,769                                                  |

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

|                                                                                                  | Notes       | For the years ended December 31 |                |
|--------------------------------------------------------------------------------------------------|-------------|---------------------------------|----------------|
|                                                                                                  |             | 2013                            | 2012           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                      |             |                                 |                |
| Profit before tax for the year                                                                   |             | \$ 672,070                      | \$ 647,607     |
| Adjustments to reconcile profit before tax to net cash provided by operating activities          |             |                                 |                |
| Income and expenses having no effect on cash flows                                               |             |                                 |                |
| Depreciation                                                                                     | 6(19)       | 212,566                         | 183,865        |
| Amortization                                                                                     | 6(19)       | 1,840                           | 1,416          |
| Interest expense                                                                                 | 6(18)       | 759                             | 272            |
| Interest income                                                                                  | 6(16)       | ( 9,633 )                       | ( 11,572 )     |
| Dividend income                                                                                  | 6(16)       | ( 51,634 )                      | ( 31,931 )     |
| Share of profit of subsidiaries, associates and joint ventures accounted for using equity method | 6(5)        | ( 216,315 )                     | ( 219,370 )    |
| Gain on disposal of property, plant and equipment                                                | 6(17)       | ( 7,968 )                       | ( 13,293 )     |
| Gain on disposal of investments                                                                  | 6(2)(3)(17) | ( 1,470 )                       | ( 134 )        |
| Changes in assets/liabilities relating to operating activities                                   |             |                                 |                |
| Net changes in assets relating to operating activities                                           |             |                                 |                |
| Notes receivable, net                                                                            |             | 10,153                          | ( 5,143 )      |
| Accounts receivable, net                                                                         |             | 1,979                           | ( 22,855 )     |
| Accounts receivable, net - related parties                                                       |             | 16,377                          | 274            |
| Other receivables                                                                                | (           | 3,714 )                         | 554            |
| Inventories                                                                                      | (           | 8,253 )                         | ( 949 )        |
| Prepayments                                                                                      | (           | 5,592 )                         | 2,518          |
| Other current assets                                                                             | (           | 499 )                           | 179            |
| Net changes in liabilities relating to operating activities                                      |             |                                 |                |
| Notes payable                                                                                    |             | 2,239                           | ( 2,137 )      |
| Notes payable - related parties                                                                  | (           | 250 )                           | 250            |
| Accounts payable                                                                                 |             | 14,506                          | ( 5,732 )      |
| Accounts payable - related parties                                                               |             | 1,659                           | ( 1,932 )      |
| Other payables                                                                                   |             | 5,433                           | ( 3,579 )      |
| Other current liabilities                                                                        | (           | 4,959 )                         | 2,568          |
| Other non-current liabilities                                                                    | (           | 39,495 )                        | ( 32,713 )     |
| Cash provided by generated from operations                                                       |             | 589,799                         | 488,163        |
| Interest received                                                                                |             | 9,762                           | 11,674         |
| Interest paid                                                                                    | (           | 759 )                           | ( 272 )        |
| Income tax paid                                                                                  | (           | 75,043 )                        | ( 69,087 )     |
| Net cash provided by operating activities                                                        |             | <u>523,759</u>                  | <u>430,478</u> |

(Continued)

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

|                                                                                    | Notes | For the years ended December 31 |                   |
|------------------------------------------------------------------------------------|-------|---------------------------------|-------------------|
|                                                                                    |       | 2013                            | 2012              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                        |       |                                 |                   |
| Acquisition of available-for-sale financial assets                                 |       | (\$ 715,000 )                   | (\$ 240,000 )     |
| Proceeds from disposal of available-for-sale financial assets                      |       | 596,033                         | 140,111           |
| Proceeds from liquidation of available-for-sale financial assets                   | 6(2)  | -                               | 21,623            |
| Proceeds from capital reduction of financial assets carried at cost                | 6(3)  | -                               | 943               |
| Proceeds from liquidation of financial assets carried at cost                      | 6(3)  | 436                             | -                 |
| Acquisition of investments accounted for using equity method                       | 6(5)  | ( 97,619 )                      | -                 |
| Acquisition of property, plant and equipment (including prepayments for equipment) |       | ( 454,717 )                     | ( 258,442 )       |
| Proceeds from disposal of property, plant and equipment                            |       | 8,353                           | 14,303            |
| Decrease in refundable deposits                                                    |       | 1,296                           | 22                |
| Acquisition of intangible assets                                                   |       | ( 1,928 )                       | ( 511 )           |
| Increase in other non-current assets - other financial assets                      |       | -                               | ( 29,266 )        |
| Dividends received                                                                 |       | 41,880                          | 38,968            |
| Net cash used in investing activities                                              |       | ( 621,266 )                     | ( 312,249 )       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                        |       |                                 |                   |
| Increase in guarantee deposits received                                            |       | -                               | 235               |
| Decrease in guarantee deposits received                                            |       | ( 1,011 )                       | -                 |
| Dividends paid                                                                     | 6(13) | ( 320,142 )                     | ( 320,142 )       |
| Net cash used in financing activities                                              |       | ( 321,153 )                     | ( 319,907 )       |
| Decrease in cash and cash equivalents                                              |       | ( 418,660 )                     | ( 201,678 )       |
| Cash and cash equivalents at beginning of year                                     |       | 912,124                         | 1,113,802         |
| Cash and cash equivalents at end of year                                           |       | <u>\$ 493,464</u>               | <u>\$ 912,124</u> |

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of  
Evergreen International Storage and Transport Corporation

We have audited the accompanying balance sheets of Evergreen International Storage and Transport Corporation (the "Company") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of certain investee companies accounted for under the equity method as of and for the years ended December 31, 2013 and 2012 were audited by other independent accountants whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the audit reports of the other independent accountants. Long-term equity investments in these investee companies amounted to NT\$8,483,627 thousand, NT\$8,069,271 thousand and NT\$8,234,859 thousand, constituting 36.48%, 35.73% and 36.29% of the total assets as of December 31, 2013, December 31, 2012 and January 1, 2012, and comprehensive income (including share of profit or loss and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method) was NT\$459,207 thousand and loss NT\$192,141 thousand for the years ended December 31, 2013 and 2012, respectively.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen International Storage and Transport Corporation as of December 31, 2013 and 2012, and the financial performance and cash flows for the years ended in conformity with the “Rules Governing Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan

March 25, 2014

Taipei, Taiwan

Republic of China

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The accompanying non-consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

| Assets             |                                    | Notes      | December 31, 2013 |     | December 31, 2012 |     | January 1, 2012 |     |
|--------------------|------------------------------------|------------|-------------------|-----|-------------------|-----|-----------------|-----|
|                    |                                    |            | AMOUNT            | %   | AMOUNT            | %   | AMOUNT          | %   |
| Current assets     |                                    |            |                   |     |                   |     |                 |     |
| 1100               | Cash and cash equivalents          | 6(1)       | \$ 3,888,596      | 16  | \$ 3,684,884      | 16  | \$ 3,241,904    | 14  |
| 1125               | Available-for-sale financial       | 6(2)       |                   |     |                   |     |                 |     |
|                    | assets - current                   |            | 1,142,750         | 5   | 1,024,371         | 5   | 975,200         | 4   |
| 1150               | Notes receivable, net              |            | 15,506            | -   | 22,215            | -   | 17,101          | -   |
| 1170               | Accounts receivable, net           | 6(4)       | 197,079           | 1   | 214,155           | 1   | 255,087         | 1   |
| 1180               | Accounts receivable, net -         | 6(4) and 7 |                   |     |                   |     |                 |     |
|                    | related parties                    |            | 214,766           | 1   | 253,566           | 1   | 242,794         | 1   |
| 1200               | Other receivables                  |            | 28,427            | -   | 4,709             | -   | 4,168           | -   |
| 130X               | Inventories                        |            | 43,195            | -   | 40,386            | -   | 38,730          | -   |
| 1410               | Prepayments                        |            | 38,683            | -   | 41,492            | -   | 62,546          | 1   |
| 1470               | Other current assets               |            | 835               | -   | 239               | -   | 415             | -   |
| 11XX               | Total Current Assets               |            | 5,569,837         | 23  | 5,286,017         | 23  | 4,837,945       | 21  |
| Non-current assets |                                    |            |                   |     |                   |     |                 |     |
| 1523               | Available-for-sale financial       | 6(2)       |                   |     |                   |     |                 |     |
|                    | assets - non-current               |            | 1,074,262         | 4   | 888,362           | 4   | 851,434         | 4   |
| 1543               | Financial assets carried at cost - | 6(3)       |                   |     |                   |     |                 |     |
|                    | non-current                        |            | 5,357             | -   | 5,357             | -   | 6,300           | -   |
| 1550               | Investments accounted for          | 6(5)       |                   |     |                   |     |                 |     |
|                    | using equity method                |            | 1,082,988         | 5   | 903,440           | 4   | 915,723         | 4   |
| 1600               | Property, plant and equipment      | 6(6) and 7 | 15,197,647        | 63  | 15,229,803        | 65  | 15,837,067      | 67  |
| 1760               | Investment property, net           | 6(7)       | 729,650           | 3   | 732,886           | 3   | 736,122         | 3   |
| 1780               | Intangible assets                  | 6(8)       | 1,966             | -   | 1,878             | -   | 2,783           | -   |
| 1840               | Deferred income tax assets         | 6(21)      | 217,766           | 1   | 171,873           | 1   | 138,461         | 1   |
| 1900               | Other non-current assets           | 8          | 158,257           | 1   | 154,680           | -   | 109,364         | -   |
| 15XX               | Total Non-current Assets           |            | 18,467,893        | 77  | 18,088,279        | 77  | 18,597,254      | 79  |
| 1XXX               | TOTAL ASSETS                       |            | \$ 24,037,730     | 100 | \$ 23,374,296     | 100 | \$ 23,435,199   | 100 |

(Continued)

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

|                                                                | Liabilities and Equity                      | Notes    | December 31, 2013 |     | December 31, 2012 |     | January 1, 2012 |     |
|----------------------------------------------------------------|---------------------------------------------|----------|-------------------|-----|-------------------|-----|-----------------|-----|
|                                                                |                                             |          | AMOUNT            | %   | AMOUNT            | %   | AMOUNT          | %   |
| Current liabilities                                            |                                             |          |                   |     |                   |     |                 |     |
| 2150                                                           | Notes payable                               |          | \$ 2,410          | -   | \$ 828            | -   | \$ 2,907        | -   |
| 2160                                                           | Notes payable - related parties             |          | -                 | -   | 250               | -   | -               | -   |
| 2170                                                           | Accounts payable                            |          | 301,730           | 2   | 213,101           | 1   | 223,029         | 1   |
| 2180                                                           | Accounts payable - related parties          | 7        | 25,871            | -   | 64,479            | 1   | 50,650          | -   |
| 2200                                                           | Other payables                              |          | 189,967           | 1   | 274,112           | 1   | 282,183         | 1   |
| 2230                                                           | Current income tax liabilities              | 6(21)    | 13,441            | -   | 43,835            | -   | 64,279          | 1   |
| 2300                                                           | Other current liabilities                   |          | 31,948            | -   | 44,088            | -   | 25,116          | -   |
| 21XX                                                           | Total Current Liabilities                   |          | 565,367           | 3   | 640,693           | 3   | 648,164         | 3   |
| Non-current liabilities                                        |                                             |          |                   |     |                   |     |                 |     |
| 2570                                                           | Deferred income tax liabilities             | 6(21)    | 1,893,908         | 8   | 1,838,091         | 8   | 1,842,486       | 8   |
| 2600                                                           | Other non-current liabilities               | 6(9)(10) | 1,781,974         | 7   | 1,492,576         | 6   | 1,249,786       | 5   |
| 25XX                                                           | Total Non-current Liabilities               |          | 3,675,882         | 15  | 3,330,667         | 14  | 3,092,272       | 13  |
| 2XXX                                                           | TOTAL LIABILITIES                           |          | 4,241,249         | 18  | 3,971,360         | 17  | 3,740,436       | 16  |
| Equity attributable to owners of the parent                    |                                             |          |                   |     |                   |     |                 |     |
| Capital stock 6(11)                                            |                                             |          |                   |     |                   |     |                 |     |
| 3110                                                           | Common stock                                |          | 10,671,411        | 44  | 10,671,411        | 46  | 10,671,411      | 46  |
| Capital surplus 6(12)                                          |                                             |          |                   |     |                   |     |                 |     |
| 3200                                                           | Capital surplus                             |          | 4,262,917         | 18  | 4,262,917         | 18  | 4,262,917       | 18  |
| Retained earnings 6(13)                                        |                                             |          |                   |     |                   |     |                 |     |
| 3310                                                           | Legal reserve                               |          | 1,742,563         | 7   | 1,691,423         | 7   | 1,610,084       | 7   |
| 3320                                                           | Special reserve                             |          | 785,326           | 3   | 271,969           | 1   | -               | -   |
| 3350                                                           | Unappropriated retained earning             |          | 1,776,913         | 7   | 2,359,964         | 10  | 2,670,271       | 11  |
| Other equity interest 6(14)                                    |                                             |          |                   |     |                   |     |                 |     |
| 3400                                                           | Other equity interest                       |          | 386,639           | 2   | 1,848             | -   | 336,218         | 1   |
| 31XX                                                           | Equity attributable to owners of the parent |          | 19,625,769        | 81  | 19,259,532        | 82  | 19,550,901      | 83  |
| 36XX                                                           | Non-controlling interest                    |          | 170,712           | 1   | 143,404           | 1   | 143,862         | 1   |
| 3XXX                                                           | Total equity                                |          | 19,796,481        | 82  | 19,402,936        | 83  | 19,694,763      | 84  |
| Significant contingent liabilities and unrecognized contract 9 |                                             |          |                   |     |                   |     |                 |     |
| Significant events after the balance sheet date 11             |                                             |          |                   |     |                   |     |                 |     |
| TOTAL LIABILITIES AND EQUITY                                   |                                             |          |                   |     |                   |     |                 |     |
|                                                                |                                             |          | \$ 24,037,730     | 100 | \$ 23,374,296     | 100 | \$ 23,435,199   | 100 |

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

|      |       |                                                                                    | For the years ended December 31 |       |               |       |
|------|-------|------------------------------------------------------------------------------------|---------------------------------|-------|---------------|-------|
|      |       |                                                                                    | 2013                            |       | 2012          |       |
|      | Notes |                                                                                    | AMOUNT                          | %     | AMOUNT        | %     |
| 4000 |       | <b>Operating revenue</b>                                                           | \$ 6,113,325                    | 100   | \$ 6,104,487  | 100   |
| 5000 |       | <b>Operating costs</b>                                                             | ( 5,324,294)                    | ( 87) | ( 5,298,846)  | ( 87) |
| 5900 |       | <b>Gross profit</b>                                                                | 789,031                         | 13    | 805,641       | 13    |
| 6000 |       | Operating expenses                                                                 | ( 271,624)                      | ( 5)  | ( 272,414)    | ( 4)  |
| 6900 |       | <b>Operating profit</b>                                                            | 517,407                         | 8     | 533,227       | 9     |
|      |       | <b>Non-operating income and expenses</b>                                           |                                 |       |               |       |
| 7010 |       | Other income                                                                       | 144,196                         | 3     | 94,732        | 2     |
| 7020 |       | Other gains and losses                                                             | 9,176                           | -     | 12,590        | -     |
| 7050 |       | Finance costs                                                                      | ( 982)                          | -     | ( 499)        | -     |
| 7060 |       | Share of profit of associates and joint ventures accounted for using equity method | 5,884                           | -     | 13,018        | -     |
| 7000 |       | <b>Total non-operating income and expenses</b>                                     | 158,274                         | 3     | 119,841       | 2     |
| 7900 |       | <b>Profit before income tax</b>                                                    | 675,681                         | 11    | 653,068       | 11    |
| 7950 |       | Income tax expense                                                                 | ( 94,383)                       | ( 2)  | ( 59,402)     | ( 1)  |
| 8000 |       | <b>Profit for the year from continuing operations</b>                              | 581,298                         | 9     | 593,666       | 10    |
| 8200 |       | <b>Profit for the year</b>                                                         | \$ 581,298                      | 9     | \$ 593,666    | 10    |
|      |       | <b>Other comprehensive income</b>                                                  |                                 |       |               |       |
| 8310 |       | Financial statements translation differences of foreign operations                 | \$ 222,429                      | 4     | ( \$ 343,395) | ( 6)  |
| 8325 |       | Unrealized gain on valuation of available-for-sale financial assets                | 182,518                         | 3     | 8,961         | -     |
| 8360 |       | Actuarial loss on defined benefit plan                                             | ( 335,910)                      | ( 6)  | ( 274,288)    | ( 4)  |
| 8399 |       | Income tax relating to the components of other comprehensive income                | 36,772                          | 1     | 46,629        | 1     |
| 8500 |       | <b>Total comprehensive income for the year</b>                                     | \$ 687,107                      | 11    | \$ 31,573     | 1     |
|      |       | <b>Profit, attributable to:</b>                                                    |                                 |       |               |       |
| 8610 |       | Owners of the parent                                                               | \$ 580,653                      | 9     | \$ 590,802    | 10    |
| 8620 |       | Non-controlling interest                                                           | 645                             | -     | 2,864         | -     |
|      |       |                                                                                    | \$ 581,298                      | 9     | \$ 593,666    | 10    |
|      |       | <b>Comprehensive income attributable to:</b>                                       |                                 |       |               |       |
| 8710 |       | Owners of the parent                                                               | \$ 686,517                      | 11    | \$ 28,773     | 1     |
| 8720 |       | Non-controlling interest                                                           | 590                             | -     | 2,800         | -     |
|      |       |                                                                                    | \$ 687,107                      | 11    | \$ 31,573     | 1     |
|      |       | <b>Basic earnings per share</b>                                                    |                                 |       |               |       |
| 9750 |       | <b>Basic earnings per share (in dollars)</b>                                       | \$ 0.54                         |       | \$ 0.55       |       |
| 9850 |       | <b>Diluted earnings per share (in dollars)</b>                                     | \$ 0.54                         |       | \$ 0.55       |       |

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)

| Notes | Year                                                                                 | Equity attributable to owners of the parent |                 |               |                       |                                  |                                                                    |                                                        |               | Non-controlling interest | Total equity  |
|-------|--------------------------------------------------------------------------------------|---------------------------------------------|-----------------|---------------|-----------------------|----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|---------------|--------------------------|---------------|
|       |                                                                                      | Retained Earnings                           |                 |               | Other equity interest |                                  |                                                                    |                                                        |               |                          |               |
|       |                                                                                      | Common stock                                | Capital surplus | Legal reserve | Special reserve       | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealized gain on available-for-sale financial assets | Total         |                          |               |
| 6(13) | 2012                                                                                 |                                             |                 |               |                       |                                  |                                                                    |                                                        |               |                          |               |
|       | Balance at January 1, 2012                                                           | \$ 10,671,411                               | \$ 4,262,917    | \$ 1,610,084  | \$ -                  | \$ 2,670,271                     | \$ -                                                               | \$ 336,218                                             | \$ 19,550,901 | \$ 143,862               | \$ 19,694,763 |
|       | Appropriation of 2011 earnings                                                       |                                             |                 |               |                       |                                  |                                                                    |                                                        |               |                          |               |
|       | Legal reserve                                                                        | -                                           | -               | 81,339        | -                     | ( 81,339 )                       | -                                                                  | -                                                      | -             | -                        | -             |
|       | Special reserve                                                                      | -                                           | -               | -             | 271,969               | ( 271,969 )                      | -                                                                  | -                                                      | -             | -                        | -             |
|       | Cash dividends                                                                       | -                                           | -               | -             | -                     | ( 320,142 )                      | -                                                                  | -                                                      | ( 320,142 )   | ( 3,258 )                | ( 323,400 )   |
|       | Profit for the year                                                                  | -                                           | -               | -             | -                     | 590,802                          | -                                                                  | -                                                      | 590,802       | 2,864                    | 593,666       |
| 6(14) | Other comprehensive income (loss) for the year                                       | -                                           | -               | -             | -                     | ( 227,659 )                      | ( 343,331 )                                                        | 8,961                                                  | ( 562,029 )   | ( 64 )                   | ( 562,093 )   |
|       | Balance at December 31, 2012                                                         | \$ 10,671,411                               | \$ 4,262,917    | \$ 1,691,423  | \$ 271,969            | \$ 2,359,964                     | \$ 343,331                                                         | \$ 345,179                                             | \$ 19,259,532 | \$ 143,404               | \$ 19,402,936 |
| 6(13) | 2013                                                                                 |                                             |                 |               |                       |                                  |                                                                    |                                                        |               |                          |               |
|       | Balance at January 1, 2013                                                           | \$ 10,671,411                               | \$ 4,262,917    | \$ 1,691,423  | \$ 271,969            | \$ 2,359,964                     | ( \$ 343,331 )                                                     | \$ 345,179                                             | \$ 19,259,532 | \$ 143,404               | \$ 19,402,936 |
|       | Appropriation of 2012 earnings                                                       |                                             |                 |               |                       |                                  |                                                                    |                                                        |               |                          |               |
|       | Legal reserve                                                                        | -                                           | -               | 51,140        | -                     | ( 51,140 )                       | -                                                                  | -                                                      | -             | -                        | -             |
|       | Special reserve                                                                      | -                                           | -               | -             | 513,357               | ( 513,357 )                      | -                                                                  | -                                                      | -             | -                        | -             |
|       | Cash dividends                                                                       | -                                           | -               | -             | -                     | ( 320,142 )                      | -                                                                  | -                                                      | ( 320,142 )   | ( 2,836 )                | ( 322,978 )   |
| 6(13) | Changes in equity of associates and joint ventures accounted for using equity method | -                                           | -               | -             | -                     | ( 138 )                          | -                                                                  | -                                                      | ( 138 )       | ( 72 )                   | ( 210 )       |
|       | Profit for the year                                                                  | -                                           | -               | -             | -                     | 580,653                          | -                                                                  | -                                                      | 580,653       | 645                      | 581,298       |
| 6(14) | Other comprehensive income (loss) for the year                                       | -                                           | -               | -             | -                     | ( 278,927 )                      | 222,605                                                            | 162,186                                                | 105,864       | ( 55 )                   | 105,809       |
|       | Changes in non-controlling interests                                                 | -                                           | -               | -             | -                     | -                                | -                                                                  | -                                                      | -             | 29,626                   | 29,626        |
|       | Balance at December 31, 2013                                                         | \$ 10,671,411                               | \$ 4,262,917    | \$ 1,742,563  | \$ 785,326            | \$ 1,776,913                     | ( \$ 120,726 )                                                     | \$ 507,365                                             | \$ 19,625,769 | \$ 170,712               | \$ 19,796,481 |

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

|                                                                                         | Notes       | For the years ended December, 31 |                  |
|-----------------------------------------------------------------------------------------|-------------|----------------------------------|------------------|
|                                                                                         |             | 2013                             | 2012             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                             |             |                                  |                  |
| Consolidated profit before tax for the year                                             |             | \$ 675,681                       | \$ 653,068       |
| Adjustments to reconcile profit before tax to net cash provided by operating activities |             |                                  |                  |
| Income and expenses having no effect on cash flows                                      |             |                                  |                  |
| Depreciation                                                                            | 6(19)       | 711,891                          | 647,107          |
| Amortization                                                                            | 6(19)       | 1,840                            | 1,416            |
| Interest expense                                                                        | 6(18)       | 766                              | 281              |
| Interest income                                                                         | 6(16)       | ( 29,529 )                       | ( 30,887 )       |
| Dividend income                                                                         | 6(16)       | ( 89,850 )                       | ( 49,548 )       |
| Share of profit of associates and joint ventures accounted for using equity method      | 6(5)        | ( 5,884 )                        | ( 13,018 )       |
| Gain on disposal of property, plant and equipment                                       | 6(17)       | ( 7,968 )                        | ( 13,289 )       |
| Gain on disposal of investments                                                         | 6(2)(3)(17) | ( 1,470 )                        | ( 134 )          |
| Changes in assets/liabilities relating to operating activities                          |             |                                  |                  |
| Net changes in assets relating to operating activities                                  |             |                                  |                  |
| Notes receivable, net                                                                   |             | 6,709                            | ( 5,114 )        |
| Accounts receivable, net                                                                |             | 17,076                           | 40,932           |
| Accounts receivable, net - related parties                                              |             | 38,800                           | ( 10,772 )       |
| Other receivables                                                                       |             | ( 8,071 )                        | 685              |
| Inventories                                                                             |             | ( 2,809 )                        | ( 1,656 )        |
| Prepayments                                                                             |             | 2,809                            | 21,054           |
| Other current assets                                                                    |             | ( 596 )                          | 176              |
| Net changes in liabilities relating to operating activities                             |             |                                  |                  |
| Notes payable                                                                           |             | 1,582                            | ( 2,079 )        |
| Notes payable - related parties                                                         |             | ( 250 )                          | 250              |
| Accounts payable                                                                        |             | 88,629                           | ( 9,928 )        |
| Accounts payable - related parties                                                      |             | ( 38,608 )                       | 13,829           |
| Other payables                                                                          |             | ( 84,145 )                       | ( 8,071 )        |
| Other current liabilities                                                               |             | ( 12,140 )                       | 18,972           |
| Other non-current liabilities                                                           |             | ( 45,647 )                       | ( 30,677 )       |
| Cash provided by generated from operations                                              |             | 1,218,816                        | 1,222,597        |
| Interest received                                                                       |             | 27,355                           | 29,661           |
| Interest paid                                                                           |             | ( 766 )                          | ( 281 )          |
| Income tax paid                                                                         |             | ( 78,053 )                       | ( 71,023 )       |
| Net cash provided by operating activities                                               |             | <u>1,167,352</u>                 | <u>1,180,954</u> |

(Continued)

**EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

|                                                                                    | Notes | For the years ended December, 31 |                     |
|------------------------------------------------------------------------------------|-------|----------------------------------|---------------------|
|                                                                                    |       | 2013                             | 2012                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                        |       |                                  |                     |
| Acquisition of available-for-sale financial assets                                 |       | (\$ 715,000 )                    | (\$ 240,000 )       |
| Proceeds from disposal of available-for-sale financial assets                      |       | 596,033                          | 140,111             |
| Proceeds from liquidation of available-for-sale financial assets                   | 6(2)  | -                                | 21,623              |
| Proceeds from capital reduction of financial assets carried at cost                | 6(3)  | -                                | 943                 |
| Proceeds from liquidation of financial assets carried at cost                      | 6(3)  | 436                              | -                   |
| Acquisition of investments accounted for using equity method                       | 6(5)  | ( 193,638 )                      | -                   |
| Acquisition of property, plant and equipment (including prepayments for equipment) |       | ( 530,938 )                      | ( 310,733 )         |
| Proceeds from disposal of property, plant and equipment                            |       | 8,353                            | 14,303              |
| Decrease in refundable deposits                                                    |       | 1,295                            | 25                  |
| Acquisition of intangible assets                                                   |       | ( 1,928 )                        | ( 511 )             |
| Increase in other non-current assets - other financial assets                      |       | -                                | ( 29,266 )          |
| Dividends received                                                                 |       | 100,233                          | 71,225              |
| Net cash used in investing activities                                              |       | ( 735,154 )                      | ( 332,280 )         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                        |       |                                  |                     |
| Decrease in guarantee deposits received                                            |       | ( 1,011 )                        | ( 822 )             |
| Dividends paid                                                                     | 6(13) | ( 322,978 )                      | ( 323,400 )         |
| Net change in non-controlling interest                                             |       | 29,626                           | -                   |
| Net cash used in financing activities                                              |       | ( 294,363 )                      | ( 324,222 )         |
| Effect of exchange rate changes                                                    |       | 65,877                           | ( 81,472 )          |
| Increase in cash and cash equivalents                                              |       | 203,712                          | 442,980             |
| Cash and cash equivalents at beginning of year                                     |       | 3,684,884                        | 3,241,904           |
| Cash and cash equivalents at end of year                                           |       | <u>\$ 3,888,596</u>              | <u>\$ 3,684,884</u> |

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 25, 2014.

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of  
Evergreen International Storage and Transport Corporation

We have audited the accompanying consolidated balance sheets of Evergreen International Storage and Transport Corporation (the "Company") and its subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of other independent accountants. The statements reflect total assets of NT\$9,086,140 thousand, NT\$8,665,071 thousand and NT\$8,783,297 thousand, constituting 37.80%, 37.07% and 37.48% of the total consolidated assets as of December 31, 2013, December 31, 2012 and January 1, 2012, and net operating revenues of NT\$1,536,407 thousand and NT\$1,563,790 thousand, constituting 25.13% and 25.62% of the total consolidated operating revenues for the years ended December 31, 2013 and 2012, respectively.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen International Storage and Transport Corporation and its subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and their financial performance and cash flows for the years ended December 31, 2013 and 2012 in conformity with the “Rules Governing Preparation of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Evergreen International Storage and Transport Corporation as of and for the years ended December 31, 2013 and 2012, on which we have expressed an unqualified opinion with explanatory paragraph thereon.

PricewaterhouseCoopers, Taiwan

March 25, 2014

Taipei, Taiwan

Republic of China

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

# EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

## 2013 PROFIT ALLOCATION PROPOSAL

Unit: NT\$

|                                                                    |                        |
|--------------------------------------------------------------------|------------------------|
| <b>Unappropriated Retained Earnings of Previous Years</b>          | <b>\$2,844,545,392</b> |
| Less:                                                              |                        |
| - Adjustments for First-time Adoption of IFRSs                     | (1,369,219,840)        |
| <b>Adjusted Unappropriated Retained Earnings of Previous Years</b> | <b>1,475,325,552</b>   |
| Less:                                                              |                        |
| - Adjustments for Retained Earnings of Year 2013                   | (279,065,294)          |
| <b>Adjusted Unappropriated Retained Earnings</b>                   | <b>1,196,260,258</b>   |
| Plus:                                                              |                        |
| - Profit of 2013                                                   | 580,652,641            |
| Less:                                                              |                        |
| - Legal Reserve                                                    | (58,065,264)           |
| Plus:                                                              |                        |
| - Reversal for Special Reserve                                     | 785,325,562            |
| <b>Retained Earnings in 2013 Available for Distribution</b>        | <b>2,504,173,197</b>   |
| <b>Distribution Item:</b>                                          |                        |
| - Shareholders' Dividends (Cash Dividends : NT\$0.3 per share)     | 320,142,329            |
| <b>Unappropriated Retained Earnings</b>                            | <b>\$2,184,030,868</b> |

(Note) : The surplus of year 2013 is allocated by priority

Distribution Total : 340,142,329

Bonuses to employees : 15,000,000

Remuneration to Directors and Supervisors : 5,000,000

Shareholders' Dividends : 320,142,329

## **SUPERVISORS' REPORT**

To: 2014 Annual General Meeting

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT  
CORPORATION (EITC)

The Board of Directors has prepared and submitted to the supervisors the Company's 2013 Business Report, Financial Statements, and Profit Allocation Proposal of the year ended December 31, 2013. The CPA firm of PricewaterhouseCoopers, Taiwan, was retained to audit EITC's Financial Statements and has issued an Independent Auditors' Report relating to the Financial Statements. In accordance with Article 219 of the Company Law, the undersigned hereby certifies the Business Report, Financial Statements, and Profit Allocation Proposal of the year ended December 31, 2013 have been examined and approved by the undersigned.

Supervisor : Ko, Lee-Ching

Wu, Kuang-Hui

Date : March 27, 2014

# EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

## THE CONTRAST TABLE OF THE AMENDED ARTICLES OF PROCEDURES FOR ACQUIRING AND DISPOSING OF ASSETS

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Article 2</u></p> <p>The term “assets” as used herein shall apply to:</p> <ol style="list-style-type: none"> <li>Investments in stocks, government bonds, corporate bonds, bank debentures, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial securities, asset-based securities, etc.;</li> <li>Real estates (including <u>land, houses and buildings, investment property, rights to use land, and</u> inventory of a construction company) and <u>equipment</u>;</li> <li>Membership cards;</li> <li>Intangible assets, such as patents, copyrights, trademarks, franchises, etc.;</li> <li>Obligatory rights of financial institutions (including the receivables, discounts on exchange, loans, and dishonored receivables);</li> <li>Derivative products;</li> <li>Assets to be acquired or disposed of by mergers, splits, acquisitions or stock transfer according to the laws; and</li> <li>Other important assets.</li> </ol> | <p><u>Article 2</u></p> <p>The term “assets” as used herein shall apply to:</p> <ol style="list-style-type: none"> <li>Investments in stocks, government bonds, corporate bonds, bank debentures, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial securities, asset-based securities, etc.;</li> <li>Real estates (including <u>the</u> inventory of a construction company) and <u>other fixed assets</u>;</li> <li>Membership cards;</li> <li>Intangible assets, such as patents, copyrights, trademarks, franchises, etc.;</li> <li>Obligatory rights of financial institutions (including the receivables, discounts on exchange, loans, and dishonored receivables);</li> <li>Derivative products;</li> <li>Assets to be acquired or disposed of by mergers, splits, acquisitions or stock transfer according to the laws; and</li> <li>Other important assets.</li> </ol> | <p>Because the Company adopts International Financial Reporting Standards (“IFRSs”) to prepare financial reports from the year 2013, it is proposed to add “land”, “houses and buildings”, “investment property”, and “rights to use land” to be included in the definition of real estate in compliance with Article 3 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred as “the Regulations”) and amend the wording “other fixed assets” of subparagraph 2 of paragraph 1.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reason for amendment                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Article 3</u></p> <p>The following expressions shall be respectively defined as below:</p> <p>1. Derivative products: Any forward contracts, option contracts, futures contracts, leverage contracts, swap contracts, and the combination thereof with a worth derived from relevant assets, interest rates, exchange rates, indexes, or other interests.</p> <p>The term “forward contracts” as used herein shall not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.</p> <p>2. Assets to be acquired or disposed of by mergers, splits, acquisition or stock transfer according to the laws: Any assets acquired or disposed of by mergers, splits or acquisitions according to the Enterprises’ Acquisition and Merger Law, the Financial Holding Company Act, the Law Governing Merger of Financial Institutions, or other applicable laws; or the stocks of another company acquired by the issuance of new shares in accordance with the provision of Item 8, Article 156 of the Company Law (hereinafter referred as the “stock transfer”).</p> | <p><u>Article 3</u></p> <p>The following expressions shall be respectively defined as below:</p> <p>1. Derivative products: Any forward contracts, option contracts, futures contracts, leverage contracts, swap contracts, and the combination thereof with a worth derived from relevant assets, interest rates, exchange rates, indexes, or other interests.</p> <p>The term “forward contracts” as used herein shall not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.</p> <p>2. Assets to be acquired or disposed of by mergers, splits, acquisition or stock transfer according to the laws: Any assets acquired or disposed of by mergers, splits or acquisitions according to the Enterprises’ Acquisition and Merger Law, the Financial Holding Company Act, the Law Governing Merger of Financial Institutions, or other applicable laws; or the stocks of another company acquired by the issuance of new shares in accordance with the provision of Item 6, Article 156 of the Company Law (hereinafter referred as the “stock transfer”).</p> | <p>1. To amend the wording of subparagraph 2 of paragraph 1 in accordance with the adjustment of paragraph about Article 156 of the Company Law.</p> <p>2. To amend the wording “other fixed assets” of subparagraph 4 of paragraph 1 because the Company adopts IFRSs.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Reason for amendment |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p>3. Related party and Subsidiary: As specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Real estate appraiser or any other one who may be engaged by law in the business of appraising real estates and <u>equipment</u>.</p> <p>5. Occurrence date: Being the date of contract, date of payment, date of transaction, date of transfer, date of resolution by the Board of Directors, or other date sufficiently confirming the counterpart and trading amount, whichever is earlier. However, if it is an investment requiring the approval by the competent authority, then the occurrence date will be one of the aforesaid dates or the date of such approval, whichever is earlier.</p> <p>6. Investments in Mainland China: Those investments made in Mainland China according to the provisions set forth in the “Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China” as promulgated by the Investment Commission, Ministry of Economic Affairs.</p> | <p>3. Related party and Subsidiary: As specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Real estate appraiser or any other one who may be engaged by law in the business of appraising real estates and <u>other fixed assets</u>.</p> <p>5. Occurrence date: Being the date of contract, date of payment, date of transaction, date of transfer, date of resolution by the Board of Directors, or other date sufficiently confirming the counterpart and trading amount, whichever is earlier. However, if it is an investment requiring the approval by the competent authority, then the occurrence date will be one of the aforesaid dates or the date of such approval, whichever is earlier.</p> <p>6. Investments in Mainland China: Those investments made in Mainland China according to the provisions set forth in the “Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China” as promulgated by the Investment Commission, Ministry of Economic Affairs.</p> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Reason for amendment                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Article 6</u></p> <p>The Company may purchase real estates for non-business use, but the accumulated acquisition amount indisposed shall not exceed 50% of equity as stated in the latest <u>parent company only</u> financial statement of the Company. As for any of its subsidiaries, it shall not exceed 50% of equity as stated in the latest <u>parent company only</u> financial statement <u>or individual financial statement</u> of that subsidiary.</p> <p>Total amount of investment made by the Company in valuable securities shall not exceed <u>the total</u> of equity <u>and non-current liabilities</u> as stated in the latest <u>parent company only</u> financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of <u>the total of equity and non-current liabilities</u> as stated in the latest <u>parent company only</u> financial statement <u>or individual financial statement</u> of that subsidiary, or shall not exceed <u>the total</u> of equity <u>and non-current liabilities</u> as stated in the latest <u>parent company only</u> financial statement of the Company.</p> <p>Total amount of investment made by the Company in any individual valuable security shall not exceed</p> | <p><u>Article 6</u></p> <p>The Company may purchase real estates for non-business use, but the accumulated acquisition amount indisposed shall not exceed 50% of <u>shareholders'</u> equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 50% of <u>shareholders'</u> equity as stated in the latest financial statement of that subsidiary.</p> <p>Total amount of investment made by the Company in valuable securities shall not exceed <u>100%</u> of <u>shareholders'</u> equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of <u>shareholders'</u> equity as stated in the latest financial statement of that subsidiary, or shall not exceed <u>100%</u> of <u>shareholders'</u> equity as stated in the latest financial statement of the Company.</p> <p>Total amount of investment made by the Company in any individual valuable security shall not exceed 50% of <u>shareholders'</u> equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of <u>shareholders'</u> equity as stated in the latest financial statement of that</p> | <ol style="list-style-type: none"> <li>1. To amend the determination basis of total amount and individual limit stated in this article because the Company adopts IFRSs.</li> <li>2. To add non-current liabilities to be included in the determination basis of total amount and individual limit for flexible finance-loan management.</li> </ol> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reason for amendment                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 50% of equity as stated in the latest <u>parent company only</u> financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of equity as stated in the latest <u>parent company only</u> financial statement <u>or individual financial statement</u> of that subsidiary, or shall not exceed 50% of equity as stated in the latest <u>parent company only</u> financial statement of the Company.                                                                                                                                                                                                                                                                                                                                                  | subsidiary, or shall not exceed 50% of <u>shareholders'</u> equity as stated in the latest financial statement of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                        |
| <p><u>Article 7</u></p> <p>Upon acquiring or disposing of any real estates or <u>equipment</u>, unless in the case of dealing with a government agency, commissioning others to make construction on self-owned or leased land, acquiring or disposing of the equipment for business use, if the transaction amount thereof is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, it must obtain an appraisal report issued by a professional appraiser before the date of occurrence, and the following requirements shall be additionally met:</p> <p>1.If a limited price, specified price or special price is taken as the reference of trading price due to any special reasons, the transaction concerned shall be first submitted to the Board</p> | <p><u>Article 7</u></p> <p>Upon acquiring or disposing of any real estates or <u>other fixed assets</u>, unless in the case of dealing with a government agency, commissioning others to make construction on self-owned or leased land, acquiring or disposing of the <u>machinery &amp;</u> equipment for business use, if the transaction amount thereof is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, it must obtain an appraisal report issued by a professional appraiser before the date of occurrence, and the following requirements shall be additionally met:</p> <p>1.If a limited price, specified price or special price is taken as the reference of trading price due to any special reasons, the transaction concerned shall be first submitted to the Board</p> | <p>1.To amend the wording "other fixed assets" and "machinery &amp; equipment" of paragraph 1 because the Company adopts IFRSs.</p> <p>2.To amend the wording in other paragraphs.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Reason for amendment |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p>of Directors for resolution. When the terms and conditions of this transaction are changed in the future, the aforesaid procedures shall apply.</p> <p>2.If the transaction amount is NT\$1,000,000,000 or more, at least two professional appraisers shall be retained to conduct the appraisal.</p> <p>3. When the appraisal made by the professional appraiser results in any of the following circumstances, except that the appraisal amount of acquiring assets are more than the transaction amount or the appraisal amount of disposing assets are less than the transaction amount, a CPA shall be retained to give specific opinion on the cause of difference and whether the transaction price is justified in accordance with the Statement of Auditing Standards No. 20 as published by the <u>Accounting Research and Development Foundation (ARDF)</u>:</p> <p>(1) The appraisal amount differs from the transaction amount by 20% or more of the latter.</p> <p>(2) The appraisal amount of one professional appraiser differs from that of another by 10% or more of the transaction amount.</p> | <p>of Directors for resolution. When the terms and conditions of this transaction are changed in the future, the aforesaid procedures shall apply.</p> <p>2.If the transaction amount is NT\$1,000,000,000 or more, at least two professional appraisers shall be retained to conduct the appraisal.</p> <p>3. When the appraisal made by the professional appraiser results in any of the following circumstances, except that the appraisal amount of acquiring assets are more than the transaction amount or the appraisal amount of disposing assets are less than the transaction amount, a CPA shall be retained to give specific opinion on the cause of difference and whether the transaction price is justified in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF:</p> <p>(1)The appraisal amount differs from the transaction amount by 20% or more of the latter.</p> <p>(2)The appraisal amount of one professional appraiser differs from that of another by 10% or more of the transaction amount.</p> <p>4.The date of a professional appraisal report shall not</p> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Reason for amendment                                                                                                                                                                   |
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| 4. The date of a professional appraisal report shall not exceed three (3) months from the date of contract. However, in case the declared value of same period shall apply, and the appraisal has been made for no more than six (6) months, then the original professional appraiser may issue a written opinion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | exceed three (3) months from the date of contract. However, in case the declared value of same period shall apply, and the appraisal has been made for no more than six (6) months, then the original professional appraiser may issue a written opinion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                        |
| <u>Article 8</u><br>Before the occurrence date of acquiring or disposing of valuable securities, the Company shall first review the latest audited financial statement of the targeted company as the reference of evaluating transaction price, and if the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, a CPA shall be retained to issue the opinion on the trading price before the date of occurrence except under the circumstance that there is a public quoted price on that securities in an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). For a CPA who adopts the professional reports shall conduct in accordance with the Statement of Auditing Standards | <u>Article 8</u><br>Before the occurrence date of acquiring or disposing of valuable securities, the Company shall first review the latest audited financial statement of the targeted company as the reference of evaluating transaction price, and if the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, a CPA shall be retained to issue the opinion on the trading price before the date of occurrence except under the circumstance that there is a public quoted price on that securities in an active market, or where otherwise provided by regulations of the <u>Executive Yuan's</u> Financial Supervisory Commission (FSC). For a CPA who adopts the professional reports shall conduct in accordance with the Statement | To amend the wording in accordance with the name be changed from "Financial Supervisory Commission (FSC), Executive Yuan" to "Financial Supervisory Commission (FSC)" on July 1, 2012. |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                | Before amendment                                                                                                                                                                                                                                                                                                                                                                        | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| No. 20 as published by the ARDF.                                                                                                                                                                                                                                                                                                                                                                                                               | of Auditing Standards No. 20 as published by the ARDF.                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><u>Article 9</u></p> <p>Before the occurrence date of acquiring or disposing of any member cards or intangible assets with an amount being equal or more than 20% of the Company's paid-in capital or NT\$300,000,000, <u>except in transacting with a government agency,</u> a CPA shall be retained to issue the opinion on the trading price in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF.</p> | <p><u>Article 9</u></p> <p>Before the occurrence date of acquiring or disposing of any member cards or intangible assets with an amount being equal or more than 20% of the Company's paid-in capital or NT\$300,000,000, a CPA shall be retained to issue the opinion on the trading price in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF.</p> | <p>Considering that government agencies should adopt tender or competitive bidding, and reserve price for selling assets in accordance with relevant rules, wherefore the reserve price is hard to be manipulated. Furthermore, it is not necessary for the company to obtain expert opinion when making real estate transaction with government agencies. In compliance with article 9 of the Regulations, the article 9 is amended to provide that when the Company makes intangible assets transaction with government agencies, it is not necessary to engage the CPA to render an opinion on the reasonableness of the transaction price.</p> |
| <p><u>Article 13</u></p> <p>The Company acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets, <u>except in trading of governments bonds or bonds with a call or put option, or subscription or redemption of domestic money market funds,</u> which transaction amount is</p>                                                                                                                 | <p><u>Article 13</u></p> <p>The Company acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets <u>with a related party</u> which transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000</p>                                                              | <p>1. Due to the fact that the Company trades in governments bonds or bonds with a call or put option, or subscribes to/redeems domestic money market funds from the related party is for the purpose of earning stable returns</p>                                                                                                                                                                                                                                                                                                                                                                                                                |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p>equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000 <u>with a related party</u> may sign the contract and make payment only if the following data and information have been submitted for resolution passed by the Board of Directors and ratified by the supervisor:</p> <ol style="list-style-type: none"> <li>1. Purpose, necessity and expected economic efficiency of acquiring or disposing of assets.</li> <li>2. Reason of choosing the related party as the trading counter party.</li> <li>3. The relevant data and information to be used for evaluating the trading terms as provided for in Articles 14 and 15 hereof when acquiring any real estate from a related party.</li> <li>4. Acquisition date, acquisition price, and trading counter party of the related party, and the relationship of such counter party with the Company and the related party.</li> <li>5. Monthly forecast of cash income &amp; expenditure for a period of 12 months commencing from the month of expected contract signing, and evaluation in regard to the necessity of the transaction and justification of funds utilization.</li> </ol> | <p>may sign the contract and make payment only if the following data and information have been submitted for resolution passed by the Board of Directors and ratified by the supervisor:</p> <ol style="list-style-type: none"> <li>1. Purpose, necessity and expected economic efficiency of acquiring or disposing of assets.</li> <li>2. Reason of choosing the related party as the trading counter party.</li> <li>3. The relevant data and information to be used for evaluating the trading terms as provided for in Articles 14 and 15 hereof when acquiring any real estate from a related party.</li> <li>4. Acquisition date, acquisition price, and trading counter party of the related party, and the relationship of such counter party with the Company and the related party.</li> <li>5. Monthly forecast of cash income &amp; expenditure for a period of 12 months commencing from the month of expected contract signing, and evaluation in regard to the necessity of the transaction and justification of funds utilization.</li> <li>6. Obtain an appraisal report issued by a professional appraiser or CPA's opinions in accordance with the provisions</li> </ol> | <p>with low risks, paragraph 1 is amended to provide that when the Company makes above-mentioned transaction with the related party, it shall not submit relevant documents for approval by the Board Meeting and ratify by the supervisor in advance.</p> <ol style="list-style-type: none"> <li>2. To amend the wording "machinery &amp; equipment" of paragraph 3 because the Company adopts IFRSs.</li> <li>3. To amend the wording in other paragraphs.</li> </ol> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reason for amendment |
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| <p>6. Obtain an appraisal report issued by a professional appraiser or CPA's opinions in accordance with the provisions of the preceding Article.</p> <p>7. Restrictions and other important matters agreed upon in the transaction.</p> <p>The transaction amount referred in the preceding paragraph shall be computed in accordance with the provisions of Paragraph 2 of Article 25 except under the circumstance that has been submitted for resolution passed by the Board of Directors and ratified by the supervisor in accordance with these regulations. And the term “within the period of one (1) year” shall mean the period of one (1) year retroactive from the occurrence date of trading concerned.</p> <p>Acquiring or disposing of business equipment between the Company and its parent company or subsidiaries, may be approved by Chairman of the Board of Directors, where empowered by the Board of Directors to acquire or dispose of assets within a specific limit, for subsequent submission to and ratification by the next Board Meeting.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the paragraph 1, the Board of Directors shall take into full consideration each independent</p> | <p>of the preceding Article.</p> <p>7. Restrictions and other important matters agreed upon in the transaction.</p> <p>The transaction amount referred in the preceding paragraph shall be computed in accordance with the provisions of Paragraph 2 of Article 25 except under the circumstance that has been submitted for resolution passed by the Board of Directors and ratified by the supervisor in accordance with these regulations. And the term “within the period of one (1) year” shall mean the period of one (1) year retroactive from the occurrence date of trading concerned.</p> <p>Acquiring or disposing of business <u>machinery and</u> equipment between the Company and its parent company or subsidiaries, may be approved by Chairman of the Board of Directors, where empowered by the Board of Directors to acquire or dispose of assets within a specific limit, for subsequent submission to and ratification by the next Board Meeting.</p> <p><u>Where the position of independent director has been created in accordance with the provisions of “Securities and Exchange Act”</u>, when a matter is submitted for discussion by the Board of Directors pursuant to the paragraph 1, the Board of Directors shall take into full</p> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><u>Article 14</u></p> <p>Acquiring a real estate from the related party, the Company shall evaluate whether the transaction cost is justified pursuant to one of the following methods:</p> <p>1. By the transaction price of the related party plus the necessary capital interest cost, and the cost to be borne by the buyer in law. The “necessary capital interest cost” shall be computed at the weighted average interest rate prevailing in the year that the Company borrowed money for buying the real estate concerned, but such an interest rate shall not be higher than the ceiling of loan interest rate for non-banking institutions as published by the Ministry of Finance.</p> <p>2. By the total assessed value for loan made by a banking institution if the related party has created a mortgage of the real estate to the banking institution for a loan; provided that the actual aggregate loan made by the banking institution is equal or more than 70% of the assessed</p> | <p><u>Article 14</u></p> <p>Acquiring a real estate from the related party, the Company shall evaluate whether the transaction cost is justified pursuant to one of the following methods:</p> <p>1. By the transaction price of the related party plus the necessary capital interest cost, and the cost to be borne by the buyer in law. The “necessary capital interest cost” shall be computed at the weighted average interest rate prevailing in the year that the Company borrowed money for buying the real estate concerned, but such an interest rate shall not be higher than the ceiling of loan interest rate for non-banking institutions as published by the Ministry of Finance.</p> <p>2. By the total assessed value for loan made by a banking institution if the related party has created a mortgage of the real estate to the banking institution for a loan; provided that the actual aggregate loan made by the banking institution is equal or more than 70% of the assessed</p> | <p>Considering the nature of engaging the related party to build on the Company’s own land or on leased land is similar to the nature of signing a joint development contract with the related party. The subparagraph 3 of paragraph 4 is amended to provide the above-mentioned transaction shall be exempt from the application of the provisions set out in Article 14 to Article 16 regarding acquiring of real estate from the related party shall evaluate the reasonableness of the transaction costs.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Reason for amendment |
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| <p>value of the real estate, and the loan period has lasted for more than one (1) year. Nevertheless, if the banking institution is related with either of the trading parties, then this shall not apply.</p> <p>If the land and building within the real estate are purchased at the same time, then transaction costs of land and building may be separately evaluated according to either of the aforesaid methods.</p> <p>Acquiring real estate from a related party, the Company shall, in addition to evaluating the cost of real estate in accordance with the provisions set forth in the preceding paragraphs 1 and 2, retain a CPA to review such cost evaluation and express detailed opinion thereon.</p> <p>Where the Company acquires real estate from a related party under any of the following circumstances, it shall be subject to Article 13 hereof, and the preceding three paragraphs shall not apply:</p> <ol style="list-style-type: none"> <li>1. The real estate has been acquired by the related party due to inheritance or donation.</li> <li>2. The time when the related party signed to acquire the real estate has been more than five (5) years away from the date of contract for this transaction.</li> </ol> | <p>value of the real estate, and the loan period has lasted for more than one (1) year. Nevertheless, if the banking institution is related with either of the trading parties, then this shall not apply.</p> <p>If the land and building within the real estate are purchased at the same time, then transaction costs of land and building may be separately evaluated according to either of the aforesaid methods.</p> <p>Acquiring real estate from a related party, the Company shall, in addition to evaluating the cost of real estate in accordance with the provisions set forth in the preceding paragraphs 1 and 2, retain a CPA to review such cost evaluation and express detailed opinion thereon.</p> <p>Where the Company acquires real estate from a related party under any of the following circumstances, it shall be subject to Article 13 hereof, and the preceding three paragraphs shall not apply:</p> <ol style="list-style-type: none"> <li>1. The real estate has been acquired by the related party due to inheritance or donation.</li> <li>2. The time when the related party signed to acquire the real estate has been more than five (5) years away from the date of contract for this transaction.</li> </ol> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 3. The real estate is acquired as the result of a joint construction contract, between the Company and the related party, <u>or through commissioning a related party to build real estate, either on the self-owned land or on leased land.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3. The real estate is acquired as the result of a joint construction contract, between the Company and the related party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><u>Article 25</u></p> <p>If the asset acquired or disposed of by the Company falls within one of the following circumstances, relevant information shall be publicly announced and reported, in the specified form by its nature, on the website designated by the FSC within two (2) days from the occurrence date:</p> <p>1. Acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets with a related party which transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000; provided, this shall not apply to trading of government bonds or bonds with a call or put option, <u>subscription or redemption of domestic money market funds.</u></p> <p>2. Merger, Split, acquisition or</p> | <p><u>Article 25</u></p> <p>If the asset acquired or disposed of by the Company falls within one of the following circumstances, relevant information shall be publicly announced and reported, in the specified form by its nature, on the website designated by the FSC within two (2) days from the occurrence date:</p> <p>1. Acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets with a related party which transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000; provided, this shall not apply to trading of government bonds or bonds with a call or put option.</p> <p>2. Merger, Split, acquisition or stock transfer.</p> <p>3. Loss on the transaction of</p> | <p>1. Considering the Company subscribes to/redeems domestic money market funds is for the purpose of earning stable returns with low risks and such transaction is similar to trading bonds with a call or put option. Referring to the provision about trading bonds with a call or put option, subparagraph 1 of paragraph 1 and item 3 of subparagraph 4 of paragraph 1 is amended to exempt subscription/redemption of domestic money market funds from the application of the provisions of public announcement.</p> <p>2. To amend the wording "machinery &amp; equipment" of item 4 of subparagraph 4 of paragraph 1 because the Company adopts</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Reason for amendment |
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| <p>stock transfer.</p> <p>3. Loss on the transaction of derivative products has reached the ceiling for any individual or all contracts as stipulated in the procedures governing the transactions thereof.</p> <p>4. For other assets transactions than those referred to in the preceding three subparagraphs, the disposal of obligatory rights by the financial institution or investments in China, the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, with the exceptions as follows:</p> <p>(1) Purchase and sale of government bonds.</p> <p>(2) Valuable securities trading in the securities exchanges or at the business places of securities firms at domestic or abroad as a professional investment firm.</p> <p>(3) Purchase and sale of bonds with a call or put option, <u>subscription or redemption of domestic money market funds</u>.</p> <p>(4) Assets acquired or disposed of are the equipment for business purpose, for which the seller or buyer is not a related party, and the</p> | <p>derivative products has reached the ceiling for any individual or all contracts as stipulated in the procedures governing the transactions thereof.</p> <p>4. For other assets transactions than those referred to in the preceding three subparagraphs, the disposal of obligatory rights by the financial institution or investments in China, the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, with the exceptions as follows:</p> <p>(1) Purchase and sale of government bonds.</p> <p>(2) Valuable securities trading in the securities exchanges or at the business places of securities firms at domestic or abroad as a professional investment firm.</p> <p>(3) Purchase and sale of bonds with a call or put option.</p> <p>(4) Assets acquired or disposed of are the <u>machinery and equipment</u> for business purpose, for which the seller or buyer is not a related party, and the transaction amount is less than NT\$500,000,000.</p> <p>(5) Real estates acquired or disposed of for construction</p> | <p>IFRSs.</p>        |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Reason for amendment |
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| <p>transaction amount is less than NT\$500,000,000.</p> <p>(5) Real estates acquired or disposed of for construction purpose due to the fact that the Company engages in construction business, for which the seller or buyer is not the related party, and the transaction amount is less than NT\$500,000,000.</p> <p>(6) Real estates acquired by construction on self-owned or leased land, sharing under joint construction, sharing profits under joint construction, or selling separately under joint construction, for which the expected transaction amount of the Company is less than NT\$500,000,000.</p> <p>Transaction amount referred in preceding paragraph shall be computed as follows:</p> <ol style="list-style-type: none"> <li>1. Amount of each transaction.</li> <li>2. Accumulated amount of transactions with same trading counter party for acquiring or disposing of subject matters of same kind within one (1) year.</li> <li>3. Accumulated amount in regard to acquisitions or disposal of real estates under the same development project within one</li> </ol> | <p>purpose due to the fact that the Company engages in construction business, for which the seller or buyer is not the related party, and the transaction amount is less than NT\$500,000,000.</p> <p>(6) Real estates acquired by construction on self-owned or leased land, sharing under joint construction, sharing profits under joint construction, or selling separately under joint construction, for which the expected transaction amount of the Company is less than NT\$500,000,000.</p> <p>Transaction amount referred in preceding paragraph shall be computed as follows:</p> <ol style="list-style-type: none"> <li>1. Amount of each transaction.</li> <li>2. Accumulated amount of transactions with same trading counter party for acquiring or disposing of subject matters of same kind within one (1) year.</li> <li>3. Accumulated amount in regard to acquisitions or disposal of real estates under the same development project within one (1) year (acquisitions and disposals to be accumulated separately.)</li> <li>4. Accumulated amount in regard to acquisitions or</li> </ol> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Reason for amendment |
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| <p>(1) year (acquisitions and disposals to be accumulated separately.)</p> <p>4. Accumulated amount in regard to acquisitions or disposal of the same securities within one (1) year (acquisitions and disposals to be accumulated separately.)</p> <p>The term “within one (1) year” as referred to in preceding paragraph shall mean the period of one (1) year computed retroactively from the occurrence date of the transaction concerned; and any portion already publicly announced according to these Procedures may not be re-counted in.</p> <p>On or before the tenth day of each month the Company shall, in the specified form, input the information of transactions for derivative products made by it and its subsidiaries of non-domestic public company as of the end of previous month to the information reporting website designated by the FSC.</p> <p>For the particulars to be publicly announced as required, if there are any errors or omissions needing to be corrected upon public announcement, all these particulars shall be publicly announced and reported again.</p> <p>As for any assets acquired or disposed of by the Company,</p> | <p>disposal of the same securities within one (1) year (acquisitions and disposals to be accumulated separately.)</p> <p>The term “within one (1) year” as referred to in preceding paragraph shall mean the period of one (1) year computed retroactively from the occurrence date of the transaction concerned; and any portion already publicly announced according to these Procedures may not be re-counted in.</p> <p>On or before the tenth day of each month the Company shall, in the specified form, input the information of transactions for derivative products made by it and its subsidiaries of non-domestic public company as of the end of previous month to the information reporting website designated by the FSC.</p> <p>For the particulars to be publicly announced as required, if there are any errors or omissions needing to be corrected upon public announcement, all these particulars shall be publicly announced and reported again.</p> <p>As for any assets acquired or disposed of by the Company, the relevant contracts, minutes of proceedings, filing books, appraisal reports, written opinions of CPA, lawyer or securities underwriter shall be kept in the Company. Unless</p> |                      |

| After amendment                                                                                                                                                                                                                                                                         | Before amendment                                                                                 | Reason for amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| the relevant contracts, minutes of proceedings, filing books, appraisal reports, written opinions of CPA, lawyer or securities underwriter shall be kept in the Company. Unless otherwise provided for in other laws, these documents shall be kept for at least five (5) years.        | otherwise provided for in other laws, these documents shall be kept for at least five (5) years. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <u>Article 27-1</u><br>For the calculation of 10% of total assets under these Procedures, the total assets stated in the latest parent company only financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. |                                                                                                  | 1. <u>This Article is added.</u><br>2. As the Company adopts IFRSs, the financial statements for public announcement is consolidated financial statements. Considering the risk of acquiring and disposing assets is undertaken by the company who actually engages in acquiring and disposing assets, the material standard of the transaction amount with related party shall be determined according to the scale of the company itself. Therefore, this article is added to provide that the total assets for calculating 10% of total assets under these Procedures is the total assets stated in the latest parent company only financial report or individual financial report prepared by the Company. |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reason for amendment  |
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| <p><u>Article 29</u></p> <p>Upon a resolution passed by the Board of Directors, these Procedures shall be given to each supervisor and <u>shall become effective after ratification by</u> the shareholders' meeting. The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.</p> <p>When the procedures for the acquisition and disposal of assets are 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.</p> | <p><u>Article 29</u></p> <p>Upon a resolution passed by the Board of Directors, these Procedures shall be given to each supervisor and <u>submitted to the shareholders' meeting for ratification.</u> The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.</p> <p><u>Where the position of independent director has been created in accordance with the provisions of "Securities and Exchange Act", when</u> the procedures for the acquisition and disposal of assets are 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.</p> | To amend the wording. |
| <p><u>Article 30</u></p> <p>When any acquisition or disposal of assets by the Company shall be approved by the Board of Directors according to these Procedures</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><u>Article 30</u></p> <p>When any acquisition or disposal of assets by the Company shall be approved by the Board of Directors according to these Procedures</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | To amend the wording. |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reason for amendment                                                                                                                                                                                                                               |
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| <p>or other laws, if any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.</p> <p>When a transaction involving the acquisition or disposal of assets is 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.</p> | <p>or other laws, if any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.</p> <p><u>Where the position of independent director has been created</u>, when a transaction involving the acquisition or disposal of assets is 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.</p> |                                                                                                                                                                                                                                                    |
| (Deleted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><u>Article 31</u></p> <p>These Procedures shall become effective on June 20, 2003; The 1st amendment was made on June 12, 2007; The 2nd amendment was made on June 10, 2009; The 3rd amendment was made on June 19, 2012; The 4th amendment was made on June 19, 2013.</p>                                                                                                                                                                                                                                                                                                                                                                                                          | <p>1. <u>This Article is deleted.</u></p> <p>2. To record the establishment and amendment history in the Procedures is unnecessary, it is proposed to delete this Article, and record the establishment and amendment history by other method.</p> |

# EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

## PROCEDURES FOR TRANSACTION OF DERIVATIVE PRODUCTS

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reason for amendment                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Article 10</u><br/>Risk control measures taken by the Company for derivative product transactions shall be as follows:</p> <p>1.Upon engaging in a transaction, its risk control shall be ready to cover those risks relating to the credit, market price, liquidity, cash flow, operation, laws and rules.</p> <p>2.To set up guidelines in writing for trading persons to engage in the transactions within the authorized amount, ceiling of stop loss, and tradable types of products.</p> <p>3.Any trading person shall not act as a delivery person simultaneously, and vice versa.</p> <p>4.Persons in charge of risk measurement, supervision, and control shall belong to the departments different from the ones for those persons referred to above, and shall report to the board of directors, or to the senior executives who are not responsible for making the policy on the transaction or</p> | <p><u>Article 10</u><br/>Risk control measures taken by the Company for derivative product transactions shall be as follows:</p> <p>1.Upon engaging in a transaction, its risk control shall be ready to cover those risks relating to the credit, market price, liquidity, cash flow, operation, laws and rules.</p> <p>2.To set up guidelines in writing for trading persons to engage in the transactions within the authorized amount, ceiling of stop loss, and tradable types of products.</p> <p>3.Any trading person shall not act as a delivery person simultaneously, and vice versa.</p> <p>4.Persons in charge of risk measurement, supervision, and control shall belong to the departments different from the ones for those persons referred to above, and shall report to the board of directors, or to the senior executives who are not responsible for making the policy on the transaction or</p> | <p>1.To specify that the Company shall report to the Board at the coming meeting after the company authorizes the relevant personnel to engage in the transaction of derivative products.</p> <p>2.To amend the wording in other paragraphs.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Reason for amendment |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p>position of derivative products.</p> <p>5.The position held in the transactions of derivative products shall be evaluated at least once a week. In case of a hedging transaction for business necessity, however, it shall be evaluated at least twice a month. The evaluation reports concerned shall be submitted to the senior executive duly authorized by the board of directors.</p> <p>6.The board of directors shall do monitoring and control on the following principles:</p> <p>(1)Assign senior executives to supervise on the monitoring and control of derivative product transactions from time to time.</p> <p>(2)Evaluate whether the performance of derivative product transactions complies with the business operation policy and whether the risks to be taken are within the allowable scope.</p> <p>7.Senior executives duly authorized by the board of directors shall control the transactions of derivative products on the following principles:</p> <p>(1)Evaluate periodically whether the prevailing risk control measures are</p> | <p>position of derivative products.</p> <p>5.The position held in the transactions of derivative products shall be evaluated at least once a week. In case of a hedging transaction for business necessity, however, it shall be evaluated at least twice a month. The evaluation reports concerned shall be submitted to the senior executive duly authorized by the board of directors.</p> <p>6.The board of directors shall do monitoring and control on the following principles:</p> <p>(1)Assign senior executives to supervise on the monitoring and control of derivative product transactions from time to time.</p> <p>(2)Evaluate whether the performance of derivative product transactions complies with the business operation policy and whether the risks to be taken are within the allowable scope.</p> <p>7.Senior executives duly authorized by the board of directors shall control the transactions of derivative products on the following principles:</p> <p>(1)Evaluate periodically whether the prevailing risk control measures are proper</p> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Reason for amendment         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| <p>proper and whether they are complying with these Procedures.</p> <p>(2)Monitor the status of transactions and gain/loss periodically. In case any abnormality is found, necessary actions must be taken to deal with promptly, and a report thereof be made to the board of directors. <u>And the</u> independent directors shall be invited to present at the board meeting to express their opinions.</p> <p>8.When the Company has duly authorized the persons concerned to engage in the transactions of derivative products, a report to the effect shall be made to the Board <u>at the soonest meeting</u> afterwards.</p> | <p>and whether they are complying with these Procedures.</p> <p>(2)Monitor the status of transactions and gain/loss periodically. In case any abnormality is found, necessary actions must be taken to deal with promptly, and a report thereof be made to the board of directors. <u>If there are independent directors in the board of directors, they</u> shall be invited to present at the board meeting to express their opinions.</p> <p>8.When the Company has duly authorized the persons concerned to engage in the transactions of derivative products, a report to the effect shall be made to the Board afterwards.</p> |                              |
| <p><u>Article 13</u></p> <p>Upon a resolution passed by the board of directors, the Procedures shall be given to each supervisor and <u>shall become effective after ratification by</u> the shareholders' meeting for ratification. The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been left, then the Company shall submit the data about the objection of the director to each supervisor.</p>                                                                                                                                    | <p><u>Article 13</u></p> <p>Upon a resolution passed by the board of directors, the Procedures shall be given to each supervisor and <u>submitted to the shareholders' meeting for ratification</u>. The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been left, then the Company shall submit the data about the objection of the director to each supervisor.</p>                                                                                                                                                                    | <p>To amend the wording.</p> |

| After amendment | Before amendment                                                                                                                                         | Reason for amendment                                                                                                                                                                                                                    |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Deleted)       | <u>Article 14</u><br>The Procedures was made on June 20, 2003; The 1st amendment was made on June 17, 2005; The 2nd amendment was made on June 12, 2006. | 1. <u>This Article is deleted.</u><br>2. To record the establishment and amendment history in the Procedures is unnecessary, it is proposed to delete this Article, and record the establishment and amendment history by other method. |

# EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

## THE CONTRAST TABLE OF THE AMENDED ARTICLES OF PROCEDURES FOR FUND LENDING, ENDORSEMENT AND GUARANTEE

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Reason for amendment                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <p><u>Article 9</u></p> <p>The procedure of handling fund lending of the Company shall be as follows:</p> <p>1. The borrower shall submit the loan application to the Company and the finance department of the Company shall consider its necessity and reasonability. In addition, the department shall conduct credit and risk review and further evaluate the operation risk, financial condition of the Company and the effect on the rights and interests of stockholder, then draft the terms and condition of such proposed loan. If necessary, the Company will request the applicant to provide equivalent amount of guarantee note, guarantor or collateral to register pledge or mortgage.</p> <p>2. After examination, the finance department shall submit the lending proposal to the Board of Directors for resolution and any other party cannot be authorized</p> | <p><u>Article 9</u></p> <p>The procedure of handling fund lending of the Company shall be as follows:</p> <p>1. The borrower shall submit the loan application to the Company and the finance department of the Company shall consider its necessity and reasonability. In addition, the department shall conduct credit and risk review and further evaluate the operation risk, financial condition of the Company and the effect on the rights and interests of stockholder, then draft the terms and condition of such proposed loan. If necessary, the Company will request the applicant to provide equivalent amount of guarantee note, guarantor or collateral to register pledge or mortgage.</p> <p>2. After examination, the finance department shall submit the lending proposal to the Board of Directors for resolution and any other</p> | <p>To amend the wording since the Company establishes the position of independent director.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reason for amendment                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <p>to make decision. 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.</p> <p>3. For loan proposal that is approved or the lending amount is reduced by resolution at the Board meeting, the finance department of the Company shall notify the borrower the resolution.</p> <p>4. The finance department shall transfer the fund after confirming the loan contract is executed and related collateral filing are completed and no error.</p> <p>5. The related information including contract, collateral supporting documents and record shall be filed in good order by the finance department after transferring fund.</p> | <p>party cannot be authorized to make decision. <u>Where the position of independent director has been created,</u> 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.</p> <p>3. For loan proposal that is approved or the lending amount is reduced by resolution at the Board meeting, the finance department of the Company shall notify the borrower the resolution.</p> <p>4. The finance department shall transfer the fund after confirming the loan contract is executed and related collateral filing are completed and no error.</p> <p>5. The related information including contract, collateral supporting documents and record shall be filed in good order by the finance department after transferring fund.</p> |                                                                                                 |
| <p><u>Article 16</u></p> <p>If the Company intends to provide any endorsement and/or guarantee, it has to be</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><u>Article 16</u></p> <p>If the Company intends to provide any endorsement and/or guarantee, it has to be</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>To amend the wording since the Company establishes the position of independent director.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Reason for amendment |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p>presented to the Board meeting for approval in advance. However, any guarantee amount to a single enterprise is within 5% of the net worth of the Company in the latest financial statement, the Chairman may firstly make decision by himself and afterwards it shall be submitted to the Board meeting for pursuing recognition.</p> <p>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.</p> <p>If the subsidiary that the Company holds 90% of voting shares intends to provide any endorsement and/or guarantee based on the provision of Paragraph 2 of Article 4, it has to be presented to the Board meeting of the Company for approval in advance, unless endorsement and/or guarantee is provided between the subsidiaries that the Company is directly and indirectly holding 100% of voting shares.</p> | <p>presented to the Board meeting for approval in advance. However, any guarantee amount to a single enterprise is within 5% of the net worth of the Company in the latest financial statement, the Chairman may firstly make decision by himself and afterwards it shall be submitted to the Board meeting for pursuing recognition.</p> <p><u>Where the position of independent director has been created,</u> 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.</p> <p>If the subsidiary that the Company holds 90% of voting shares intends to provide any endorsement and/or guarantee based on the provision of Paragraph 2 of Article 4, it has to be presented to the Board meeting of the Company for approval in advance, unless endorsement and/or guarantee is provided between the subsidiaries that the Company is directly and indirectly holding 100% of voting shares.</p> |                      |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Reason for amendment                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <p><u>Article 18</u></p> <p>When the Company is processing endorsement and/or guarantee and due to business requirement, it is necessary to exceed the ceiling stipulated by this procedure and it conforms to the terms and conditions stipulated by this procedure, it shall be resolved by the Board of Directors and the majority directors shall provide joint guarantee on the risk of loss that may be occurred from overflow guarantee to the Company. In addition, this procedure shall be amended accordingly and shall be submitted to shareholders' meeting for approval afterwards. If the shareholders' meeting shall not approve, a plan shall be prepared to remove overflow guarantee within a certain period.</p> <p>When a matter is 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.</p> | <p><u>Article 18</u></p> <p>When the Company is processing endorsement and/or guarantee and due to business requirement, it is necessary to exceed the ceiling stipulated by this procedure and it conforms to the terms and conditions stipulated by this procedure, it shall be resolved by the Board of Directors and the majority directors shall provide joint guarantee on the risk of loss that may be occurred from overflow guarantee to the Company. In addition, this procedure shall be amended accordingly and shall be submitted to shareholders' meeting for approval afterwards. If the shareholders' meeting shall not approve, a plan shall be prepared to remove overflow guarantee within a certain period.</p> <p><u>Where the position of independent director has been created</u>, when a matter is 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</p> | <p>To amend the wording since the Company establishes the position of independent director.</p> |

| After amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Before amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reason for amendment                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | expresses reservations about any matter, it shall be recorded in the minutes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| <p><u>Article 26</u></p> <p>Upon a resolution passed by the Board of Directors, these Procedures shall be submitted to each supervisor and <u>shall become effective after ratification</u> by the shareholders' meeting. If any director took an objection, and a record or written statement to the effect has to be made, then the Company shall submit the data about the objection of the director to each supervisor and shareholders' meeting for discussion. The same shall apply in case of any amendments thereof.</p> <p>When these Procedures are 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.</p> | <p><u>Article 26</u></p> <p>Upon a resolution passed by the Board of Directors, these Procedures shall be submitted to each supervisor and submitted to the shareholders' meeting for ratification. If any director took an objection, and a record or written statement to the effect has to be made, then the Company shall submit the data about the objection of the director to each supervisor and shareholders' meeting for discussion. The same shall apply in case of any amendments thereof.</p> <p><u>Where the position of independent director has been created,</u> when these Procedures are 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.</p> | <p>To amend the wording since the Company establishes the position of independent director.</p> |

| After amendment                | Before amendment                                                                                                                                                                                                                                                                                                                                            | Reason for amendment                                                                                                                                                                                                                    |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Article 27</u><br>(Deleted) | <u>Article 27</u><br>These Procedures were originally adopted on June 20, 2003; The 1st amendment was made on June 12, 2006; The 2nd amendment was made on June 12, 2007; The 3rd amendment was made on June 10, 2009; The 4th amendment was made on June 15, 2010; The 5th amendment is made on June 15, 2011; The 6th amendment is made on June 19, 2013. | 1. <u>This Article is deleted.</u><br>2. To record the establishment and amendment history in the Procedures is unnecessary, it is proposed to delete this Article, and record the establishment and amendment history by other method. |

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

2014 Annual General Meeting of Shareholders

Roster of Directors (Including Independent Directors) and Supervisors Candidates

| Item     | A/C Number | Name                                                                        | Education                                                           | Past Work Experience                     | Concurrent Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shares  |
|----------|------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Director | 102249     | Chang Yung-Fa<br>Charity Foundation<br>Representative:<br>Lin, Sun-San      | Bachelor degree in<br>Administration, National<br>Taipei University | Vice Group Chairman,<br>Evergreen Group. | First Vice Group Chairman, Evergreen Group<br>Chairman, Shun An Enterprise Corp.<br>Director: Evergreen Marine Corp. (Taiwan) Ltd., EVA Airways Corp., Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp., Chang Yung-Fa Foundation, Chang Yung-Fa Charity Foundation                                                                                                                                                                                                                                                                                                        | 100,000 |
| Director | 102249     | Chang Yung-Fa<br>Charity Foundation<br>Representative:<br>Ko, Li-Ching      | Keelung Girls’ Senior High<br>School                                | Vice Group Chairman,<br>Evergreen Group. | Second Vice Group Chairman, Evergreen Group<br>Director: EVA Airways Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp., Shun An Enterprise Corp., Chang Yung-Fa Foundation, Chang Yung-Fa Charity Foundation<br>Supervisor: Evergreen Marine Corp. (Taiwan) Ltd., Evergreen International Storage &Transport Corp., Evergreen International Corp., Uni Airways Corp., Evergreen Security Corp., Ever Reward Logistics Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Evergreen Aviation Technologies Corp., Evergreen Aviation Precision Corp., Hsin Yung Enterprise Corp. | 100,000 |
| Director | 102249     | Chang Yung-Fa<br>Charity Foundation<br>Representative:<br>Hsieh, Chih-Chien | Business Administration<br>Department of Aletheia<br>University     | Vice Group Chairman,<br>Evergreen Group. | Second Vice Group Chairman, Evergreen Group.<br>Director: Evergreen Marine Corp. (Taiwan) Ltd., Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp., Taiwan Terminal Service Co., Ltd., Chang Yung-Fa Foundation, Chang Yung-Fa Charity Foundation                                                                                                                                                                                                                                                                                                                            | 100,000 |

| Item                 | A/C Number | Name                                                                        | Education                                                                                                                                                                             | Past Work Experience                                                                                                                                                                       | Concurrent Positions                                                                                                                                                                                                                                          | Shares      |
|----------------------|------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Director             | 17         | Evergreen Marine Corp. (Taiwan) Ltd.<br>Representative:<br>Chen, Ching-Piao | Department of Business Administration, FuJen Catholic University                                                                                                                      | Chairman,<br>Evergreen Shipping Agency (AMERICA) Corp.                                                                                                                                     | Chairman, Evergreen International Storage & Transport Corp.<br>Chairman, Ever Reward Logistics Corp.<br>Chairman, Joint Stevedoring Contract Co., Ltd.                                                                                                        | 424,061,830 |
| Director             | 17         | Evergreen Marine Corp. (Taiwan) Ltd.<br>Representative:<br>Loh, Yao Fon     | SANNO Junior College                                                                                                                                                                  | Chairman,<br>Uniglory Marine Corp.                                                                                                                                                         | Director, Evergreen International Storage & Transport Corp.                                                                                                                                                                                                   | 424,061,830 |
| Director             | 17         | Evergreen Marine Corp. (Taiwan) Ltd.<br>Representative:<br>Tai, Jiin-Chyuan | Master degree in Maritime Law, National Taiwan Ocean University                                                                                                                       | Executive Vice President, Legal & Insurance, EVA Airways Corp.                                                                                                                             | Group Executive officer, Legal, Evergreen Group<br>Director: Evergreen Marine Corp. (Taiwan) Ltd., EVA Airways Corp., Taipei Port Container Terminal Corp., Super Max Engineering Enterprise Corp. Chang Yung-Fa Foundation, Chang Yung-Fa Charity Foundation | 424,061,830 |
| Independent Director | A1023***** | Yu, Fang-Lai                                                                | MBA of Institute of Management Science, National Chiao Tung University<br>Bachelor of Department of Transportation & Communication Management Science, National Cheng Kung University | Chairman, Chunghwa Post Co., Ltd.<br>Political Deputy Minister, Ministry of Transportation & Communications<br>Administrative Deputy Minister, Ministry of Transportation & Communications | Director, China Aviation Development Foundation                                                                                                                                                                                                               | 0           |
| Independent Director | A1226***** | Chang, Ching-Ho                                                             | Master of Department of Accounting, Washington State University Pullman, WA<br>Bachelor of Department of Accounting, National Cheng Kung University Tainan, Taiwan                    | Partner, CPA,<br>Shin Shin Public Accounting Firm                                                                                                                                          | Partner, CPA, Shin Shin Public Accounting Firm<br>Supervisor: TaiAn Technologies Corp., United Biomedical, Inc. Asia, United Biopharma Inc.                                                                                                                   | 0           |

| Item                 | A/C Number | Name                                                           | Education                                                                                                                                                | Past Work Experience                                                                                                                                             | Concurrent Positions                                                                                                                                                                                                                                                                                                                                                                                                        | Shares     |
|----------------------|------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Independent Director | A1104***** | Szu, Wen-Chang                                                 | Master of Graduate School of Business Administration of National Cheng Chi University<br>Bachelor of Banking Department of National Cheng Chi University | Executive Vice President, CMC Investment Co., Ltd. (Yulon Group)<br>President, Taisec Securities Inc.<br>President, Taisec Securities Investment Consultant Inc. | None.                                                                                                                                                                                                                                                                                                                                                                                                                       | 0          |
| Supervisor           | 591        | Evergreen International Corp.<br>Representative: Lin, Long-Hwa | National Kaohsiung Normal University, English department.                                                                                                | Vice Group Chairman, Evergreen Group.                                                                                                                            | Vice Group Chairman, Evergreen Group.<br>Director: Evergreen Marine Corp. (Taiwan) Ltd., Evergreen Sky Catering Corp., Uni Airways Corp., Evergreen Aviation Technologies Corp.<br>Supervisor: EVA Airways Corp., Shun An Enterprise Corp., Joint Stevedoring Contract Co., Ltd. , Taipei Port Container Terminal Corp.                                                                                                     | 90,220,968 |
| Supervisor           | 591        | Evergreen International Corp.<br>Representative: Wu, Kuang-Hui | MBA, Sun Yat Sen University                                                                                                                              | Executive Vice President, Finance Div., EVA Airways Corp.                                                                                                        | Group Executive officer, Finance, Evergreen Group<br>Finance Executive Officer, Evergreen Marine Corp. (Taiwan) Ltd.<br>Director: Chang Yung-Fa Foundation, Chang Yung-Fa Charity Foundation<br>Supervisor: EVA Airways Corp., Evergreen International Storage &Transport Corp., Central Reinsurance Corp., Evergreen Steel Corp., Taiwan Terminal Services Corp., Chang Yang Development Corp., Hsiang-Li Investment Corp. | 90,220,968 |

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION ARTICLES OF INCORPORATION**

## **CHAPTER 1 GENERAL PROVISIONS**

### **Article 1**

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Law of Republic of China with the name of 長榮國際儲運股份有限公司 in Chinese and EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION in English.

### **Article 2**

The Company may engage in the following activities:

1. F212011 Gasoline Stations;
2. G101011 Highway Bus Transportation;
3. G101021 Urban Automobile Transportation;
4. G101041 Passenger Car Rental and Leasing;
5. G101051 Sightseeing Bus Transportation;
6. G101061 Truck Freight Transportation;
7. G101081 Automobile Container Transport;
8. G301011 Ship Transportation;
9. G401011 Shipping Agency Services;
- 10.G404011 Container Distributing Center Business;
- 11.G406061 Harbor Cargoes Forwarding Services;
- 12.G603011 Airfreight Distributing;
- 13.J901011 International and General Tourist Hotels;
- 14.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

### **Article 3**

The office of the Company is located at Taoyuan County, where necessary, the Company may have branches or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

### **Article 4**

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Law.

The Company may render external guarantees.

## CHAPTER 2 SHARES

### **Article 5**

The total authorized capital of the Company shall be NT\$11,000,000,000 divided into 1,100,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

### **Article 6**

The shares issued by the Company shall be registered in the Securities Central Depository Business Institution.

### **Article 7**

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

## CHAPTER 3 SHAREHOLDERS' MEETING

## **Article 8**

The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

## **Article 9**

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

## **Article 10**

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Law are no voting right.

## **Article 11**

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

## **Article 12**

Unless otherwise provided under the Company Law and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

## **Article 13**

When Shareholders' Meeting is convened by the Board of Director, its chairman shall be processed in accordance with the provision in Article 208 of the Company Law.

When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

#### **Article 14**

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Law.

### CHAPTER 4 DIRECTORS, SUPERVISORS AND MANAGERS

#### **Article 15**

The Company shall have five to nine (5~9) Directors and two (2) Supervisors.

The election of the Directors and Supervisors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the Directors and Supervisors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors and Supervisors shall be subject to the provision established by the Securities Management Institution.

#### **Article 15-1**

The number of the Directors set forth in the preceding article shall include two (2) to three (3) Independent Directors.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to

the Securities and Exchange Act and other relevant regulations.

### **Article 16**

The Directors and the Supervisors shall be elected at the Shareholders' Meeting and they are selected due to their competence and disposing capacity. They shall each have a three-year term of office and are eligible for re-election. The Directors or Supervisors may, according to Article 199 and Article 227 of the Company Law, be discharged at any time by a resolution passed at a Shareholders' Meeting.

### **Article 17**

When the dismissal of Director(s) results in the number of directors less than five(5), the Company shall hold supplementary election for Director at the next following Shareholders' Meeting. When the number of vacancies of Directors reaches one-third of the total number of Directors, or when the Supervisors are all dismissed, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Directors(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

### **Article 18**

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Law.

## **Article 19**

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

## **Article 20**

Notices of the Board Meeting shall be dispatched to each of the Directors and supervisors seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

## **Article 21**

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

## **Article 22**

The Supervisors shall execute his duty in accordance with the Company Law and related regulations.

## **Article 23**

The compensation of the Directors and Supervisors ( the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of each one's participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' compensation.

In order to cover the loss causing from liabilities of the Directors and Supervisors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors, Supervisors, and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.

#### **Article 24**

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Law.

### CHAPTER 5 ACCOUNTING

#### **Article 25**

After the end of each fiscal year of the Company, the Board of Directors shall prepare the following reports which shall be delivered to the Supervisors thirty (30) days in advance of the Annual General Meeting of the Shareholders for the auditing and preparation of reports thereof, which shall be approved by the shareholders at the Annual General Meeting:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

#### **Article 26**

Any profit made by the Company for each fiscal year shall, after deduction of tax, be applied first towards making up any losses incurred by the Company in previous years, secondly 10% of the balance thereof shall be retained as the legal reserve, and set aside the special reserve in compliance with regulations, together with the accumulated unallocated profit of the previous period, shall be allocated pursuant to the proposal made by the Board of Directors and adopted by the Shareholders at their meeting, provided that the employees shall be entitled to a bonus of a minimum of 1% thereof and the remuneration of the Directors and the Supervisors shall not exceed five percent thereof to be appropriated from the allocated amount.

Stockholders' dividends shall be distributed in cash dividends and stock dividends, with the cash dividend at least 10% of the total amount of distribution.

## CHAPTER 6 MISCELLANEOUS

### **Article 27**

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

### **Article 28**

Any matter not provided for by these Articles shall be subject to the Company Law and related regulations.

### **Article 29**

These Articles were originally established on September 1, 1973;

The 1st amendment was made on September 17, 1973;

The 2nd amendment was made on December 6, 1974;

The 3rd amendment was made on May 10, 1975;

The 4th amendment was made on May 5, 1978;

The 5th amendment was made on July 12, 1979;

The 6th amendment was made on October 7, 1980;

The 7th amendment was made on December 1, 1980;

The 8th amendment was made on May 23, 1981;

The 9th amendment was made on May 25, 1981;

The 10th amendment was made on January 22, 1983;

The 11th amendment was made on May 20, 1983;

The 12th amendment was made on August 1, 1983;

The 13th amendment was made on April 23, 1984;

The 14th amendment was made on May 12, 1984;

The 15th amendment was made on August 20, 1984;

The 16th amendment was made on December 7, 1984;

The 17th amendment was made on May 20, 1985;

The 18th amendment was made on October 20, 1986;

The 19th amendment was made on May 25, 1987;  
The 20th amendment was made on September 5, 1988;  
The 21st amendment was made on December 31, 1988;  
The 22nd amendment was made on October 27, 1989;  
The 23rd amendment was made on November 20, 1989;  
The 24th amendment was made on February 26, 1990;  
The 25th amendment was made on April 10, 1991;  
The 26th amendment was made on May 12, 1992;  
The 27th amendment was made on April 17, 1993;  
The 28th amendment was made on May 4, 1994;  
The 29th amendment was made on May 11, 1996;  
The 30th amendment was made on June 15, 1998;  
The 31st amendment was made on June 16, 1999;  
The 32nd amendment was made on May 17, 2000;  
The 33rd amendment was made on September 11, 2001;  
The 34th amendment was made on June 27, 2002;  
The 35th amendment was made on June 17, 2005;  
The 36th amendment was made on June 12, 2007;  
The 37th amendment was made on June 19, 2008;  
The 38th amendment was made on June 10, 2009;  
The 39th amendment was made on June 15, 2011, but the article 15-1 and the paragraph 2 of the article 17 will not effective until the Shareholders' Meeting of the Company elects Independent Directors;  
The 40th amendment is made on June 19, 2012;  
The 41st amendment is made on June 19, 2013.

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **RULES FOR PROCEDURE OF THE SHAREHOLDERS' MEETING**

### **Article 1**

The procedure of all shareholders' meetings shall conform to the present Rules. Any matter which is not specified herein shall be handled pursuant to Company Law and other applicable laws and regulations of the Republic of China.

### **Article 2**

Shareholders as stated in the Rules shall be the shareholder himself/herself or the proxy who is delegated by the shareholder to attend the meeting.

Where a institutional shareholder is delegated to attend the shareholders' meeting, such institutional shareholder shall only appoint one (1) representative to attend such meeting.

### **Article 3**

The shareholder present shall wear the attendance certificate, checking in by delivering the check-in card. The number of shares for attending the meeting shall be counted according to the delivered check-in card.

Quorum of shareholders' meeting shall be counted on the basis of shares.

### **Article 4**

Shareholders' meeting shall be held at the principal office of the Corporation or any other venue where should be convenient for attendance or suitable for meeting. The meeting shall commence not earlier than 09:00 A.M. or not later than 03:00 P.M.

### **Article 5**

Chairman of the meeting shall declare the meeting open when it's time for meeting. However, chairman of the meeting may declare to postpone the meeting provided that the shareholders present represent not more than half of total number of issued shares,

but such postponement is limited to twice only. Total postponement time shall not be more than one (1) hour. If the shareholders present cannot still constitute the quorum, but those present represent over one-third of the total number of issued shares, a tentative resolution may be passed by a majority of those present pursuant to the paragraph 1 of the Article 175 of the Company Law.

If the shareholders present have been up to more than half of total number of issued shares before the conclusion of that meeting, chairman may make the proposition to decide such tentative resolution by vote pursuant to Article 174 of the Company Law.

## **Article 6**

Where a shareholders' meeting is convened by the Board of Directors, appointment of chairman of the meeting shall be handled in accordance with Article 208 of the Company Law.

Where a shareholders' meeting is called by a convener who is entitled to call such meeting other than the Board of Directors, such convener shall act as chairman of the meeting. When number of person with right of convener is more than two, then one person shall be elected among these persons.

## **Article 7**

Where a shareholders' meeting is convened by the Board of Directors, its agenda shall be arranged or programmed by the Board of Directors. Moreover, the meeting shall proceed on the basis of fixed agenda which cannot be changed without the resolution at the shareholders' meeting.

Where a shareholders' meeting is called by a convener who is entitled to call such meeting other than Board of Directors, the preceding paragraph shall be mutatis mutandis applicable.

Unless it has been duly resolved, Chairman of the meeting shall not declare the meeting adjourned at discretion before the agenda as set forth in the preceding two paragraphs (including extraordinary motions) have been concluded. If the Chairman announce adjournment directly without resolution, then based on the consent of more than half of the voting rights of attending shareholders one person shall be elected as the Chairman to continue the meeting.

In addition, after the meeting is over, the shareholders shall not continue the meeting

to be presided over by the other chairman at the same place or other place.

### **Article 7-1**

In accordance with the Article 172-1 of the Company Law, the shareholders who hold one percent (1%) or more of the total number of outstanding shares of the company separately or jointly may submit only one proposal in written form for discussion at annual general meeting of shareholders.

The proposals submitted by shareholders violating the Article 172-1 of the Company Law shall not be included in the agenda of the meeting and the minute of the meeting, but the cause of exclusion of such proposals shall be listed in the appendix of the manual for shareholders' meeting proceedings of the Company.

The shareholders proposals complying with the Article 172-1 of the Company Law which are classified into the same category of the proposal submitted by the Board of Directors shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.

### **Article 8**

Any shareholder shall, before speaking at the meeting, present a speaking memo stating summary, shareholder A/C number (or attendance certificate number) and A/C name. Speaking shall be effected as the sequence as arranged by chairman of the meeting.

In the event that a shareholder only presents a speaking memo, but he/she doesn't speak at the meeting, it shall be deemed that he/she speaks nothing at the meeting. If the speaking contents are not same as those indicated on the speaking memo, only the former shall be considered.

When a shareholder is speaking, no any other shareholder shall interfere by speaking. Unless his/her act is consented by chairman or the shareholder who is speaking, chairman shall stop him/her from speaking any longer.

### **Article 9**

In case two or more representatives are delegated by an institutional shareholder to attend a shareholders' meeting, only one representative is entitled to speak for one

proposal.

When conducting reporting items, speech by shareholder is limited to once and shall not exceed five minutes for all reporting items.

When a shareholder speaks with regard to the matters for recognition and discussion listed on the agenda, and to the proposals made in the extraordinary motion session, each shareholder shall speak no more than twice concerning each motion and each proposition shall not exceed five minutes without previous consent by the chairman.

When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the extraordinary motion session, the provisions in the preceding paragraph “governing speaking time and number of speaking opportunities” shall be applied.

Where a shareholder speaks in violation of the preceding four paragraphs, out of the scope of the proposal or affecting meeting order, the chairman is entitled to stop him/her speaking any longer.

### **Article 10**

The Corporation may ask its lawyer, certified public accountant or related person to attend the meeting.

After a shareholder speaks, chairman may personally or ask the related person to answer the question.

### **Article 11**

Except otherwise specified in related laws and the Articles of Incorporation, it shall be based on consent and passing by more than half of voting rights of attending shareholders.

### **Article 12**

When a proposal is decided by vote, it shall be passed by applause after the chairman finds there is no objection; its effect shall be the same as the voting resolution. When a shareholder expresses objection, the resolution shall be decided by voting.

### **Article 13**

When there is an amended or substituted proposal relating to one proposal, chairman shall decide the sequence for decision by vote. In one of them has passed, the other proposal shall be deemed as rejection and its voting becomes unnecessary.

#### **Article 14**

When the chairman considers that a proposal which is being debated can be decided by vote, he/she may declare to stop debate and ask to decide by vote.

#### **Article 15**

Chairman may declare to take a break during the meeting.

#### **Article 16**

Chairman shall appoint somebody to supervise and to calculate the votes, but such supervisor shall be a shareholder of the Company.

The voting results shall be announced on the spot and duly recorded.

#### **Article 17**

The process of the meeting shall be fully recorded in recording or video tape, which shall be kept at least one (1) year.

The staff relating to the affairs of the meeting and pickets (including security staff) shall wear identification tags or badges.

#### **Article 18**

Chairman is entitled to ask the pickets (including security staff) to maintain the order of the site.

#### **Article 19**

The Rules shall be effective after they will have been approved at the shareholders' meeting. This provision shall be applicable to their amendments.

#### **Article 20**

The Rules are duly established on February 26, 1990;  
The 1st amendment was made on June 15, 1998;  
The 2nd amendment was made on June 27, 2002;  
The 3rd amendment was made on June 12, 2006;  
The 4th amendment was made on June 10, 2009;  
The 5th amendment was made on June 19, 2012;

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **PROCEDURES FOR ACQUIRING AND DISPOSING OF ASSETS**

### **Chapter 1: General**

#### **Article 1**

These Procedures shall apply whenever the Company acquires or disposes of assets.

#### **Article 2**

The term “assets” as used herein shall apply to:

1. Investments in stocks, government bonds, corporate bonds, bank debentures, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial securities, asset-based securities, etc.;
2. Real estates (including the inventory of a construction company) and other fixed assets;
3. Membership cards;
4. Intangible assets, such as patents, copyrights, trademarks, franchises, etc.;
5. Obligatory rights of financial institutions (including the receivables, discounts on exchange, loans, and dishonored receivables);
6. Derivative products;
7. Assets to be acquired or disposed of by mergers, splits, acquisitions or stock transfer according to the laws; and
8. Other important assets.

#### **Article 3**

The following expressions shall be respectively defined as below:

1. Derivative products: Any forward contracts, option contracts, futures contracts, leverage contracts, swap contracts, and the combination thereof with a worth derived from relevant assets, interest rates, exchange rates, indexes, or other interests.

The term “forward contracts” as used herein shall not include insurance contracts,

performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.

2. Assets to be acquired or disposed of by mergers, splits, acquisition or stock transfer according to the laws: Any assets acquired or disposed of by mergers, splits or acquisitions according to the Enterprises' Acquisition and Merger Law, the Financial Holding Company Act, the Law Governing Merger of Financial Institutions, or other applicable laws; or the stocks of another company acquired by the issuance of new shares in accordance with the provision of Item 6, Article 156 of the Company Law (hereinafter referred as the "stock transfer".)
3. Related party and Subsidiary: As specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Real estate appraiser or any other one who may be engaged by law in the business of appraising real estates and other fixed assets.
5. Occurrence date: Being the date of contract, date of payment, date of transaction, date of transfer, date of resolution by the Board of Directors, or other date sufficiently confirming the counterpart and trading amount, whichever is earlier. However, if it is an investment requiring the approval by the competent authority, then the occurrence date will be one of the aforesaid dates or the date of such approval, whichever is earlier.
6. Investments in Mainland China: Those investments made in Mainland China according to the provisions set forth in the "Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China" as promulgated by the Investment Commission, Ministry of Economic Affairs.

#### **Article 4**

As for any appraisal report, or any written opinion issued and made available by certified public accountant ("CPA"), lawyer or securities underwriter to the Company, such professional appraiser and its appraisal personnel, CPA, lawyer or securities underwriter shall not be of a related party with the trading parties.

#### **Article 5**

When the Company intends to acquire or dispose of any asset, a report to the effect shall be made and submitted by the department in charge to the department of general affairs, department of finance, and other relevant departments for risk & economic

efficiency evaluation or value appraisal. Then, evaluation or appraisal report shall, together with relevant data, be submitted to the Board of Directors or other competent authority for resolution in accordance with the contents of the “Table of Authority Limit of Acquiring and Disposing of Assets & other Financial Matters” approved by the Board of Directors before proceeding with the transaction concerned.

Price of the aforesaid asset shall be determined by either market price, net value per share, price enquiry, price competition, price negotiation, or public bid. In the case of real estate, then declared value, assessed value, and actual transaction price of adjacent area real estates shall also be used as the reference of price determination.

## **Chapter 2: Procedures**

### **Section 1:**

#### **Acquiring or Disposing of Assets and Engaging in Transactions of Derivative Products**

### **Article 6**

The Company may purchase real estates for non-business use, but the accumulated acquisition amount indisposed shall not exceed 50% of shareholders’ equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 50% of shareholders’ equity as stated in the latest financial statement of that subsidiary.

Total amount of investment made by the Company in valuable securities shall not exceed 100% of shareholders’ equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of shareholders’ equity as stated in the latest financial statement of that subsidiary, or shall not exceed 100% of shareholders’ equity as stated in the latest financial statement of the Company.

Total amount of investment made by the Company in any individual valuable security shall not exceed 50% of shareholders’ equity as stated in the latest financial statement of the Company. As for any of its subsidiaries, it shall not exceed 150% of shareholders’ equity as stated in the latest financial statement of that subsidiary, or shall not exceed 50% of shareholders’ equity as stated in the latest financial statement of the Company.

## **Article 7**

Upon acquiring or disposing of any real estates or other fixed assets, unless in the case of dealing with a government agency, commissioning others to make construction on self-owned or leased land, acquiring or disposing of the machinery & equipment for business use, if the transaction amount thereof is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, it must obtain an appraisal report issued by a professional appraiser before the date of occurrence, and the following requirements shall be additionally met:

1. If a limited price, specified price or special price is taken as the reference of trading price due to any special reasons, the transaction concerned shall be first submitted to the Board of Directors for resolution. When the terms and conditions of this transaction are changed in the future, the aforesaid procedures shall apply.
2. If the transaction amount is NT\$1,000,000,000 or more, at least two professional appraisers shall be retained to conduct the appraisal.
3. When the appraisal made by the professional appraiser results in any of the following circumstances, except that the appraisal amount of acquiring assets are more than the transaction amount or the appraisal amount of disposing assets are less than the transaction amount, a CPA shall be retained to give specific opinion on the cause of difference and whether the transaction price is justified in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF:
  - (1) The appraisal amount differs from the transaction amount by 20% or more of the latter.
  - (2) The appraisal amount of one professional appraiser differs from that of another by 10% or more of the transaction amount.
4. The date of a professional appraisal report shall not exceed three (3) months from the date of contract. However, in case the declared value of same period shall apply, and the appraisal has been made for no more than six (6) months, then the original professional appraiser may issue a written opinion.

## **Article 8**

Before the occurrence date of acquiring or disposing of valuable securities, the Company shall first review the latest audited financial statement of the targeted

company as the reference of evaluating transaction price, and if the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, a CPA shall be retained to issue the opinion on the trading price before the date of occurrence except under the circumstance that there is a public quoted price on that securities in an active market, or where otherwise provided by regulations of the Executive Yuan's Financial Supervisory Commission (FSC). For a CPA who adopts the professional reports shall conduct in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF.

## **Article 9**

Before the occurrence date of acquiring or disposing of any member cards or intangible assets with an amount being equal or more than 20% of the Company's paid-in capital or NT\$300,000,000, a CPA shall be retained to issue the opinion on the trading price in accordance with the Statement of Auditing Standards No. 20 as published by the ARDF.

## **Article 9-1**

The transaction amount referred in the preceding three articles shall be computed in accordance with Paragraph 2 of Article 25 except under the circumstance that it has obtained appraisal reports issued by a professional appraiser or CPA's opinions in accordance with these regulations. And the term "within the period of one (1) year" shall mean the period of one (1) year retroactive from the occurrence date of trading concerned.

## **Article 10**

For any assets acquired or disposed of by the Company through the auction by court, certificate issued by the court to the effect can be used to substitute for the appraisal report or CPA's written opinion.

## **Article 11**

Any transaction of derivative products to be made by the Company shall be subject to the "Procedures for Transaction of Derivative Products" as set forth by the Company.

## **Section 2:**

### **Related Party Transactions**

#### **Article 12**

If the Company acquires or disposes of assets with a related party, the relevant resolutions and trading terms evaluation, etc. shall be made. Besides, the transaction amount thereof is equal to or more than 10% of the Company's total assets, it must obtain an appraisal report issued by a professional appraiser or CPA's opinions in accordance with the preceding section.

The transaction amount referred in the preceding paragraph shall be computed in accordance with Paragraph 1 of Article 9-1.

In judging whether the trading counter party is a related party, the substantial relationship shall be taken into account, in addition to the legal relationship.

#### **Article 13**

The Company acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets with a related party which transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000 may sign the contract and make payment only if the following data and information have been submitted for resolution passed by the Board of Directors and ratified by the supervisor:

1. Purpose, necessity and expected economic efficiency of acquiring or disposing of assets.
2. Reason of choosing the related party as the trading counter party.
3. The relevant data and information to be used for evaluating the trading terms as provided for in Articles 14 and 15 hereof when acquiring any real estate from a related party.
4. Acquisition date, acquisition price, and trading counter party of the related party, and the relationship of such counter party with the Company and the related party.
5. Monthly forecast of cash income & expenditure for a period of 12 months commencing from the month of expected contract signing, and evaluation in regard to the necessity of the transaction and justification of funds utilization.
6. Obtain an appraisal report issued by a professional appraiser or CPA's opinions in accordance with the provisions of the preceding Article.

7. Restrictions and other important matters agreed upon in the transaction.

The transaction amount referred in the preceding paragraph shall be computed in accordance with the provisions of Paragraph 2 of Article 25 except under the circumstance that has been submitted for resolution passed by the Board of Directors and ratified by the supervisor in accordance with these regulations. And the term “within the period of one (1) year” shall mean the period of one (1) year retroactive from the occurrence date of trading concerned.

Acquiring or disposing of business machinery and equipment between the Company and its parent company or subsidiaries, may be approved by Chairman of the Board of Directors, where empowered by the Board of Directors to acquire or dispose of assets within a specific limit, for subsequent submission to and ratification by the next Board Meeting.

Where the position of independent director has been created, a matter is submitted for discussion by the Board of Directors pursuant to the paragraph 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.

#### **Article 14**

Acquiring a real estate from the related party, the Company shall evaluate whether the transaction cost is justified pursuant to one of the following methods:

1. By the transaction price of the related party plus the necessary capital interest cost, and the cost to be borne by the buyer in law. The “necessary capital interest cost” shall be computed at the weighted average interest rate prevailing in the year that the Company borrowed money for buying the real estate concerned, but such an interest rate shall not be higher than the ceiling of loan interest rate for non-banking institutions as published by the Ministry of Finance.
2. By the total assessed value for loan made by a banking institution if the related party has created a mortgage of the real estate to the banking institution for a loan; provided that the actual aggregate loan made by the banking institution is equal or more than 70% of the assessed value of the real estate, and the loan period has lasted for more than one (1) year. Nevertheless, if the banking institution is related with either of the trading parties, then this shall not apply.

If the land and building within the real estate are purchased at the same time, then

transaction costs of land and building may be separately evaluated according to either of the aforesaid methods.

Acquiring real estate from a related party, the Company shall, in addition to evaluating the cost of real estate in accordance with the provisions set forth in the preceding paragraphs 1 and 2, retain a CPA to review such cost evaluation and express detailed opinion thereon.

Where the Company acquires real estate from a related party under any of the following circumstances, it shall be subject to Article 13 hereof, and the preceding three paragraphs shall not apply:

1. The real estate has been acquired by the related party due to inheritance or donation.
2. The time when the related party signed to acquire the real estate has been more than five (5) years away from the date of contract for this transaction.
3. The real estate is acquired as the result of a joint construction contract between the Company and the related party.

## **Article 15**

After evaluations made by the Company as per the paragraphs 1 and 2 of the preceding Article, if the respective results thereof are less than the transaction price, Article 16 shall apply provided that the objective evidence as well as opinions issued by professional real estate appraiser and CPA to support the same shall have been obtained under any of the following circumstances:

1. The related party is acquiring or leasing a piece of undeveloped land for construction, and has made available proofs to meet any of the following requirements:
  - (1) With the undeveloped land price being evaluated according to the methods referred to in the preceding article, and building price computed on basis of the construction cost of the related party plus reasonable construction profit, total amount thereof is higher than the actual transaction price. The “reasonable construction profit” referred to above shall be subject to the average gross profit rate posted by the construction department of the related party for the past 3 years or the latest gross profit rate for construction industry as published by the Ministry of Finance, whichever is lower.
  - (2) Considering the transactions made by other non-related parties for other floors with the similar area on the same real estate or in the adjacent area within the

period of one (1) year, the trading terms are deemed comparable after reasonable evaluation about the price difference between floors or locations in accordance with real estate transaction practices.

(3) Considering the leases made by other non-related parties for other floors on the same real estate within the period of one (1) year, the trading terms are deemed comparable after reasonable evaluation about the price difference between floors in accordance with real estate lease practices.

2. The Company has proved that the trading terms for purchasing real estate from the related party are comparable to those of other transactions of similar area made by other non-related parties in the adjacent area within the period of one (1) year.

The transactions in the adjacent area referred to above shall, in general, mean those transactions of real estates located at the same or nearby street with a distance of less than 500 meters from the real estate concerned, or with approximate declared values. The term “the similar area” shall, in principle, mean the area of transaction less than 50% of the area made by any non-related party for the real estate concerned. The term “within the period of one (1) year” shall mean the period of one (1) year retroactive from the occurrence date of acquiring the real estate concerned.

## **Article 16**

For any real estate acquired from the related party, if the respective results of evaluations made by the Company as per Articles 14 and 15 hereof are less than the transaction price, then:

1. The difference between transaction price and evaluated price of the real estate concerned shall be set aside as special reserve according to paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distributed as cash or stock dividends. If the investor who evaluates its investment in the Company by equity method is a public company, it shall also set aside as a special reserve in proportion to its shareholding in the Company as provided for in paragraph 1, Article 41 of the Securities and Exchange Act.
2. Supervisor of the Company shall perform the duties pursuant to the provisions set forth in Article 218 of the Company Law.
3. The actions taken as required in Clauses 1 and 2 hereof shall be reported to the shareholders’ meeting, and details of the transaction concerned shall be disclosed in the annual report and prospectus, respectively.

As to the special reserve set aside under the provisions set forth in the preceding paragraph, it shall not be used until the devaluation loss on the asset purchased at high price has been set aside, or a disposal been made, or proper compensation been given, or a restoration to the original status been completed, or there are other evidences proving it is justified, and the FSC has approved the use of such reserve.

In case there are other evidences showing the transaction of acquiring real estate by the Company from the related party is abnormal, the provisions set for in the preceding two paragraphs shall apply.

### **Section 3:**

#### **Mergers, Splits, Acquisitions and Stock Transfer Companies**

#### **Article 17**

Upon carrying out any merger, split, acquisition, or stock transfer, the Company shall, before convening the Board Meeting, retain a CPA, lawyer or securities underwriter to express their opinions about the ratio of share-for-share exchange, tender offer price, or the cash or other properties to be allocated to the shareholders. Then, the report to the effect shall be made to the Board of Directors for resolution.

#### **Article 18**

Upon participating in any merger, split or acquisition, unless otherwise stipulated in other laws that it may not convene the shareholders' meeting, the Company shall prepare an open letter addressed to the shareholders specifying key points and other matters relating to the merger, split or acquisition before the shareholders' meeting, and such open letter shall be, together with the experts' opinions referred to in paragraph 1 of the proceeding Article hereof and the notice of shareholders' meeting, sent to the shareholders as the reference of voting for or against the same.

Among the companies participating in the merger, split, or acquisition, if any of them can't convene its shareholders' meeting for resolution due to insufficient quorum or voting shares, or other legal restrictions, or the resolution relating to such merger, split, or acquisition is rejected in the shareholders' meeting, then those participating companies shall promptly make a public announcement stating the reasons thereof, the follow-up measures to be taken, and the date expected to convene their respective shareholders' meetings.

## **Article 19**

Unless otherwise provided for in other laws or a prior approval has been obtained from the FSC due to special reasons, the companies participating in the merger, split, or acquisition shall convene their respective Board Meetings and shareholders' meeting at the same day to resolve on the matters of such merger, split, or acquisition.

Unless otherwise provided for in other laws or a prior approval has been obtained from the FSC due to special reasons, the companies participating in the stock transfer shall convene their respective Board Meetings at the same day.

When participating in a merger, split, acquisition, or stock transfer, 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 five years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in case foreign nationals) of all persons involved in the planning or implementation of any merger, split, acquisition, or stock transfer 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 the Board meeting.
3. Important documents and minutes: Including merger, split, acquisition, and stock transfer plans, any letter of intent or memorandum, material contracts, and minutes of Board Meetings.

When participating in a merger, split, acquisition, or stock transfer, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two (2) days of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, split, acquisition, or stock transfer is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the letter is required to abide by the provisions of paragraphs 3 and 4.

## **Article 20**

Anyone, who has participated in or been made known about the companies' merger, split, acquisition or stock transfer plan, shall sign a written non-disclosure agreement undertaking that he/she will not divulge any content of such plan externally before public disclosure of relevant information, nor will he/she buy or sell in his/her own or another one's name any shares or other valuable securities with equity nature of any company in relation with such merger, split, acquisition or stock transfer.

## **Article 21**

When the Company participates in any merger, split, acquisition or stock transfer, the ratio of share-for-share exchange or tender offer price shall not be arbitrarily changed, and conditions of change shall be prescribed in the contract of merger, split, acquisition or stock transfer, except for any of the following circumstances:

1. Capital increase by cash, issuance of convertible bonds, stock dividend distribution, issuance of bonds with warrants, preferred shares with warrants, subscription warrants, and other valuable equity securities.
2. Any acts significantly affecting the company's finance situation and business operations, such as disposal of major assets.
3. There occurs any major disaster, major technical change, etc. that would significantly affect the shareholders' interest or securities price of the company.
4. Adjustments in treasury stocks legally repurchased by any of the companies that have participate in the merger, split, acquisition or stock transfer.
5. Changes in the companies participating in the merger, split, acquisition or stock transfer, or increase/decrease in the number of the participants.
6. Other conditions under which a change may be made as stipulated in the contract concerned and publicly disclosed.

## **Article 22**

When the Company participates in any merger, split, acquisition or stock transfer, the contract thereof shall specify the rights and obligations of any participating companies. Also, the following matters shall be specified in that contract:

1. Measures to deal a default.
2. Measures to deal the treasury stocks or the valuable equity securities issued by the

extinguished or split company prior to the merger.

3. Number of treasury stocks that any participating company may repurchase in accordance with laws after the based date for computing the ratio of share-for-share exchange, and measures to deal with the same.
4. Measures to deal with the changes in the companies participating in the merger, split, acquisition or stock transfer, or increase/decrease in the number of the participants.
5. Expected progress schedule and expected completion date.
6. Expected date for convening a shareholders' meeting according to the law, and other related procedures in case it fails to complete as scheduled.

### **Article 23**

After the information about merger, split, acquisition or stock transfer have been disclosed, if any of the participating companies intends to carry out a further merger, split, acquisition or stock transfer with a third party company, then the procedures or legal acts already completed by all original participating companies shall be redone, unless their respective shareholders' meeting has previously passed a resolution authorizing the Board of Directors to make such changes without another resolution passed in the shareholders' meeting.

### **Article 24**

If there is a non-public company among the companies participating in the merger, split, acquisition or stock transfer, the Company shall sign an agreement with it and proceed pursuant to the provisions set forth in Articles 19, 20 and 23 hereof.

## **Chapter 3: Disclosure of Information**

### **Article 25**

If the asset acquired or disposed of by the Company falls within one of the following circumstances, relevant information shall be publicly announced and reported, in the specified form by its nature, on the website designated by the FSC within two (2) days from the occurrence date:

1. Acquiring or disposing of real estate with a related party, or acquiring or disposing of other assets with a related party which transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300,000,000; provided, this shall not apply to trading of government bonds or bonds with a call or put option.
2. Merger, Split, acquisition or stock transfer.
3. Loss on the transaction of derivative products has reached the ceiling for any individual or all contracts as stipulated in the procedures governing the transactions thereof.
4. Where an asset transaction except any of those referred to in the preceding three subparagraphs, the disposal of obligatory rights by the financial institution or investments in China, the transaction amount is equal to or more than 20% of the Company's paid-in capital or NT\$300,000,000, with the exceptions as follows:
  - (1) Purchase and sale of government bonds.
  - (2) Valuable securities trading in the securities exchanges or at the business places of securities firms at domestic or abroad as a professional investment firm.
  - (3) Purchase and sale of bonds with a call or put option.
  - (4) Assets acquired or disposed of are the machinery and equipment for business purpose, for which the seller or buyer is not a related party, and the transaction amount is less than NT\$500,000,000.
  - (5) Real estates acquired or disposed of for construction purpose due to the fact that the Company engages in construction business, for which the seller or buyer is not the related party, and the transaction amount is less than NT\$500,000,000.00.
  - (6) Real estates acquired by construction on self-owned or leased land, sharing under joint construction, sharing profits under joint construction, or selling separately under joint construction, for which the expected transaction amount of the Company is less than NT\$500,000,000.

Transaction amount referred in preceding paragraph shall be computed as follows:

1. Amount of each transaction.
2. Accumulated amount of transactions with same trading counter party for acquiring or disposing of subject matters of same kind within one (1) year.

3. Accumulated amount in regard to acquisitions or disposal of real estates under the same development project within one (1) year (acquisitions and disposals to be accumulated separately.)
4. Accumulated amount in regard to acquisitions or disposal of the same securities within one (1) year (acquisitions and disposals to be accumulated separately.)

The term “within one (1) year” as referred to in preceding paragraph shall mean the period of one (1) year computed retroactively from the occurrence date of the transaction concerned; and any portion already publicly announced according to these Procedures may not be re-counted in.

On or before the 10th day of each month the Company shall, in the specified form, input the information of transactions for derivative products made by it and its subsidiaries of non-domestic public company as of the end of previous month to the information reporting website designated by the FSC.

For the particulars to be publicly announced as required, if there are any errors or omissions needing to be corrected upon public announcement, all these particulars shall be publicly announced and reported again.

As for any assets acquired or disposed of by the Company, the relevant contracts, minutes of proceedings, filing books, appraisal reports, written opinions of CPA, lawyer or securities underwriter shall be kept in the Company. Unless otherwise provided for in other laws, these documents shall be kept for at least five (5) years.

## **Article 26**

After any transaction has been publicly announced and reported pursuant the provisions set forth in the preceding article, if there is any of the following circumstances, relevant information shall be publicly announced and reported in the website designated by the FSC within two (2) days from the occurrence date thereof:

1. Contract relating to the transaction has been changed, terminated or canceled.
2. Failure to complete the merger, split, acquisition or stock transfer on the expected date as shown in the contract concerned.
3. The contents originally presented in public disclosure have been changed.

## **Chapter 4: Miscellaneousness**

### **Article 27**

Procedures for the Company to control the acquisitions or disposals of assets by its subsidiaries are as follows:

1. To procure its subsidiary to set up its own “Procedures for Acquiring and Disposing of Assets” in accordance with relevant guidelines, and carry out auditing in compliance with such relevant guidelines.
2. To procure its subsidiary shall follow the Procedures set up by itself when acquiring or disposing of any assets.
3. Internal auditors of the Company shall review the auditing report made by the subsidiary.
4. If the assets acquired or disposed of by a subsidiary that is not a domestic public company have reached the standards of public announcement and report, the Company shall do so for its subsidiary. The aforementioned subsidiary applies to the term “equal to 20% of the company’s paid-in capital or 10% of the Company’s total assets” as referred in the standards of public announcement and report in accordance with the provisions of Paragraph 1 of Article 25 based on the paid-in capital or total assets of the Company.

### **Article 28**

Where anyone in the Company has committed in violation of these Procedures, then the Personnel Dept. will take a discipline action against him/her according to the severity of circumstance.

### **Article 29**

Upon a resolution passed by the Board of Directors, these Procedures shall be given to each supervisor and submitted to the shareholders’ meeting for ratification. The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.

Where the position of independent director has been created, the procedures for the acquisition and disposal of assets is 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.

### **Article 30**

When any acquisition or disposal of assets by the Company shall be approved by the Board of Directors according to these Procedures or other laws, if any director took an objection, and a record or written statement to the effect has been made, then the Company shall submit the data about the objection of the director to each supervisor.

Where the position of independent director has been created, a transaction involving the acquisition or disposal of assets is 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.

### **Article 31**

These Procedures shall become effective on June 20, 2003.

The 1st amendment was made on June 12, 2007.

The 2nd amendment is made on June 10, 2009.

The 3rd amendment is made on June 19, 2012.

The 3rd amendment is made on June 19, 2013.

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **Procedures for Transaction of Derivative Products**

### **Article 1**

The Procedures is set forth in accordance with Article 11 of the “Procedures for Acquiring and Disposing of Assets” as prescribed by the Company.

### **Article 2**

Any transaction of derivative products to be made by the Company shall be subject to these Procedures.

### **Article 3**

The term “derivative products” as used herein shall mean any forward contracts, option contracts, futures contracts, leveraged margin trading contracts, swap contracts, and the combination thereof with a worth derived from relevant assets, interest rates, exchange rates, indexes, or other interests. The term “forward contracts” as used herein shall not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sales) contracts.

### **Article 4**

Types of derivative product transactions that may be engaged in by the Company are forward currency transactions, currency swaps, margin trading, non-delivery forwards, interest rate swaps, oil swaps, options, assets swaps, futures, and other relevant financial products derived from the assets, indexes or other interests.

### **Article 5**

Hedge trading of derivative products that may be taken by the Company should be avoided market risks as the main purpose. The trading products should be chosen mostly for avoiding the risks of interest rates, exchange rates and fluctuation of oil

price that result from the company's operation. The trading subjects, in principle, should be chosen the excellent credit financial institutions and companies.

## **Article 6**

Gross contract amount for the derivative product transactions made by the Company shall be limited to the existing position, and the ceiling of stop loss thereof shall be as follows:

1. Hedging Operation: If the amount of loss evaluated in the end of month for all contracts or any individual contract exceeds 5% of paid-in capital of the Company for two successive months, it shall be proposed to the board of directors of the company to resolve whether the company shall execute the stop loss.
2. Trading Operation: Gross allowable loss for all contracts shall be limited to 3% of paid-in capital of the Company, and to 15% of contract value for any individual contract.

## **Article 7**

Division functions in regard to the derivative product transactions made by the Company shall be as follows:

1. High-level personnel duly authorized by the board of directors shall always pay attention to supervising and controlling risks for derivative production transactions.
2. Internal auditors shall examine for the adequacy of internal control over the transactions of derivative products on a regular basis.
3. Trading persons shall always be alert to the market information, analyze the changing situations of various products from basic and technical aspects, and report the latest information to the department head concerned. Trading person shall also know exactly about the provisions specified in these Procedures and report the gain or loss to the executive concerned periodically.
4. Delivery persons must confirm the fund availability of the Company, make sure the currency, amount, and delivery date of each transaction, and perform the delivery smoothly.

## **Article 8**

Key points for performing evaluation by the Company of the derivative product

transactions shall be as follows:

1. Accuracy of the evaluation about product trends;
2. Adequacy for the position control;
3. Fair value and changes in the gain/loss;
4. To what extent the risk is covered in case of a hedge transaction, or the possible result if no such transaction is made.

## **Article 9**

Operating procedures for derivative product transactions by the Company shall be as follows:

1. As approved by the head of Financial Department, trading persons initiate the transaction within the authorized limit.
2. Trading persons shall place orders through the financial institutes nominated by the Company beforehand.
3. After a transaction is done, trading persons shall submit the trading data to the head of Financial Department.
4. The financial institution concerned shall send a trading confirmation note to the head of Financial Department after the transaction.
5. The head of Financial Department and delivery persons shall re-examine those trading data. After the data are verified to be correct, the delivery persons shall perform the delivery.
6. Trading persons shall send the trading confirmation note duly approved back to the financial institution concerned, and submit the trading voucher to the Accounting Section.
7. After verifying the validity and rationality of trading data from external sources, the Accounting Section submits the trading voucher for approval of book entry.

## **Article 10**

Risk control measures taken by the Company for derivative product transactions shall be as follows:

1. Upon engaging in a transaction, its risk control shall be ready to cover those risks relating to the credit, market price, liquidity, cash flow, operation, laws and rules.
2. To set up guidelines in writing for trading persons to engage in the transactions

within the authorized amount, ceiling of stop loss, and tradable types of products.

3. Any trading person shall not act as a delivery person simultaneously, and vice versa.
4. Persons in charge of risk measurement, supervision, and control shall belong to the departments different from the ones for those persons referred to above, and shall report to the board of directors, or to the senior executives who are not responsible for making the policy on the transaction or position of derivative products.
5. The position held in the transactions of derivative products shall be evaluated at least once a week. In case of a hedging transaction for business necessity, however, it shall be evaluated at least twice a month. The evaluation reports concerned shall be submitted to the senior executive duly authorized by the board of directors.
6. The board of directors shall do monitoring and control on the following principles:
  - (1) Assign senior executives to supervise on the monitoring and control of derivative product transactions from time to time.
  - (2) Evaluate whether the performance of derivative product transactions complies with the business operation policy and whether the risks to be taken are within the allowable scope.
7. Senior executives duly authorized by the board of directors shall control the transactions of derivative products on the following principles:
  - (1) Evaluate periodically whether the prevailing risk control measures are proper and whether they are complying with these Procedures.
  - (2) Monitor the status of transactions and gain/loss periodically. In case any abnormality is found, necessary actions must be taken to deal with promptly, and a report thereof be made to the board of directors. If there are independent directors in the board of directors, they shall be invited to present at the board meeting to express their opinions.
8. When the Company has duly authorized the persons concerned to engage in the transactions of derivative products, a report to the effect shall be made to the Board afterwards.

## **Article 11**

Internal auditors shall examine for the adequacy of internal control over the transactions of derivative products on a regular basis, and audit whether the trading departments are acting in compliance with the Procedures monthly, for which an

auditing report shall be produced. If any severe violations are found, a written notice shall be submitted to the supervisors.

## **Article 12**

For the transactions of derivative products being engaged in by the Company, a filing book shall be produced, therein the entries about types and amounts of respective derivative product transactions, as well as the dates of resolutions passed by the board of directors. Also, those particulars that shall be under deliberate evaluation according to sub-paragraphs 5, 6.2 and 7.1 of paragraph 1 of Article 10 will be noted down in the evaluation report in detail for filing purpose.

## **Article 12-1**

The Company shall procure its subsidiary to set up its own “Procedures for Transaction of Derivative Products” in accordance with relevant guidelines, and to follow the Procedures when transacting the derivative products.

## **Article 13**

Upon a resolution passed by the board of directors, the Procedures shall be given to each supervisor and submitted to the shareholders’ meeting for ratification. The same shall apply in case of any amendments thereof. If any director took an objection, and a record or written statement to the effect has been left, then the Company shall submit the data about the objection of the director to each supervisor.

## **Article 14**

The Procedures is made on June 20, 2003;  
The 1st amendment was made on June 17, 2005;  
The 2nd amendment was made on June 12, 2006.

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **Procedures for Fund Lending, Endorsement and Guarantee**

### **Chapter 1 General**

#### **Article 1**

All fund lending, endorsement and guarantee of the Company shall be processed in accordance with the provisions of this procedure.

#### **Article 2**

Except the following circumstances, the fund of the Company shall not be lent to stockholder or any other party:

1. There is business relationship between the Company and other firms.
2. There is necessity of short-term fund financing between the Company and other firms. The financing amount shall not be more than 40% of the net worth of the Company.

The above short-term means one year. However, when the operating cycle of the Company is more than one year, it shall base on such operating cycle.

The above financing amount in Subparagraph 2 of Paragraph 1 means the accumulated balance amount of the short-term fund financing of the Company.

Fund lending between the foreign companies that the Company is directly and indirectly holding 100% of voting shares shall not be restricted by the preceding Subparagraph 2 of Paragraph 1, but it shall be processed in accordance with the respective “Procedures for Fund Lending, Endorsement and Guarantee” of subsidiaries.

#### **Article 3**

Endorsement and/or guarantee hereof mean the following matters:

1. Financing endorsement and/or guarantee, including:
  - (1) Cash discount financing for the Clients checks.
  - (2) Endorsement or guarantee provided for the purpose of financing for other

company.

(3) Issue note separately to non-finance institution as guarantee for the purpose of financing for the Company.

2. Tariff endorsement and/or guarantee refers to the endorsement and/or guarantee to the Custom House against import duties of the Company or other company.
3. Other endorsement and/or guarantee refer to the endorsement or guarantee that cannot be categorized in the above two clauses.

When the Company is providing chattel or real estate to set pledge or mortgage as collateral of the loan for other party, it shall also be processed in accordance with the provisions of this procedure.

#### **Article 4**

The Company may provide endorsement and/or guarantee to the following company:

1. Firms that have business relationship with the Company.
2. A company which is held more than 50% of the total number of voting shares directly and indirectly by the Company.(hereinafter referred as the subsidiary which the Company holds more than 50% of voting shares).
3. A company which holds more than 50% of voting shares of the Company directly and indirectly.

Endorsement and/or guarantee may be provided between the subsidiaries that the Company is directly and indirectly holding 90% of voting shares, and the amount shall be restricted to 10% of the net worth in the latest financial statement of the Company, unless endorsement and/or guarantee is provided between the subsidiaries that the Company is directly and indirectly holding 100% of voting shares.

Provided that mutual guarantee based on the provision of the contract between peer companies or co-founders for undertaking construction project, or due to all subscribed stockholders of joint venture to provide endorsement and/or guarantee on the invested company based on its stockholding percentage, which shall not be restricted by the preceding two paragraphs then endorsement and/or guarantee may be provided.

The above subscribed share means an investment made by the Company directly or through any company that the Company is holding 100% of voting shares.

## **Article 5**

The so-called subsidiary and parent company herein mean those Companies stipulated on the provision in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the financial reports of the Company or its subsidiaries are prepared according to the International Financial Reporting Standards, "net worth" in these procedures means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

"Date of occurrence" in these procedures means the date of contract signing, payment, Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

## **Chapter 2 procedures**

### **Section 1**

#### **Lending fund to other party**

## **Article 6**

When the fund of the Company is to be lent to other party, the evaluation standard shall be as follows:

1. When the fund is being lent due to business relationship, the lending amount shall not be more than the total transaction amount between both parties for the latest one year. The so-called 「transaction amount」 refers to the amount of purchasing or selling between both parties, whichever is higher.
2. When there is necessity for a short-term loan, it shall be restricted to the following conditions:
  - (1) Other party has necessity for purchasing material or working capital requirement.
  - (2) Other fund lending approved by the Board of Directors of the Company.

## **Article 7**

The ceilings of the total amount of and the amount for single party of fund lending of the Company shall be as follows:

1. The total lending amount of the Company shall not be more than 40% of the net worth in the latest financial statement of the Company.
2. For company or firm that has business relationship with the Company, its individual lending amount shall not be more than the total transaction amount between both parties for the latest one year.
3. For company or firm with necessity of short-term loan, its individual lending amount shall not be more than 20% of the net worth in the latest financial statement of the Company.

## **Article 8**

The term of fund lending of the Company and the criteria of interest shall be as follows:

1. Lending term: The longest term of each lending shall be one year.
2. Interest criteria: Refers to the bank interest rate on lending date and the interest rate shall be mutually agreed by both the borrower and lender within a reasonable range and interest shall be payable monthly.

## **Article 9**

The procedure of handling fund lending of the Company shall be as follows:

1. The borrower shall submit the loan application to the Company and the finance department of the Company shall consider its necessity and reasonability. In addition, the department shall conduct credit and risk review and further evaluate the operation risk, financial condition of the Company and the effect on the rights and interests of stockholder, then draft the terms and condition of such proposed loan. If necessary, the Company will request the applicant to provide equivalent amount of guarantee note, guarantor or collateral to register pledge or mortgage.
2. After examination, the finance department shall submit the lending proposal to the Board of Directors for resolution and any other party cannot be authorized to make decision. Where the position of independent director has been created, 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.
3. For loan proposal that is approved or the lending amount is reduced by resolution at the Board meeting, the finance department of the Company shall notify the borrower the resolution.

4. The finance department shall transfer the fund after confirming the loan contract is executed and related collateral filing are completed and no error.
5. The related information including contract, collateral supporting documents and record shall be filed in good order by the finance department after transferring fund.

### **Article 9-1**

Before lending the fund between the Company and parent companies, the Company and subsidiaries, or between subsidiaries, the loan proposal shall be presented to the Board meeting for resolution according to the preceding article. The Chairman may be authorized to lend the aggregate amount specified by the Board of Directors to one enterprise, and the amount can be drawn down separately or revolvingly in the time period of one year.

The authorized amount mentioned in paragraph 1, except the fund lending is made under paragraph 4 of article 2, shall not exceed 10% of the net worth in the latest financial statement of the Company or subsidiaries when the Company or subsidiaries lend fund to a single enterprise.

### **Article 10**

The subsequent control measures of the loan amount outstanding and the handling procedure for the overdue loan shall be as follows:

1. After the fund is transferred, the Company shall frequently pay attention to the finance, business and related credit condition, etc. of the borrower and the guarantor. If there is any collateral, attention shall be paid to whether there is any change in the worth of the collateral. If there is major change, which shall report the general manager forthwith and conduct appropriate measurement as instructed.
2. When the loan is expired or the loan is prepaid before expiration, the interest thereof shall be calculated firstly. After interest together with the principal fully paid then the guarantee note shall be cancelled and returned to the borrower and pledge or mortgage on the collateral shall be discharged.
3. When the loan expires, the borrower shall repay the principal and interest forthwith. If the borrower defaults, the Company shall directly dispose the collateral or pursue for repayment against the guarantor according to laws.

## **Article 11**

The internal control of the fund lending of the Company shall be as follows:

1. When conducting fund lending, the Company shall establish a notebook which shall record in details regarding the borrower, lending amount, resolution date made by the Board meeting, funding date and other evaluation items, etc.
2. The internal audit personnel of the Company shall at least conduct auditing once a quarter the procedure of the fund lending to other party and its performance condition and a written record shall be made. If major violation is discovered, which shall notify every supervisor in writing forthwith.
3. When there is circumstance change in the Company resulting that the fund lending party becomes unqualified the provisions of this procedure or the balance amount of the loan exceeds the ceiling, the improvement plan shall be made and sent to every supervisor. Meanwhile, the improvement shall be made within the planned schedule so as to enhance the internal control of the Company.

## **Section 2**

Endorsement and Guarantee for other party

## **Article 12**

For conducting endorsement and/or guarantee by the Company due to business relationship, the endorsement and/or guarantee amount to single party shall not exceed the total amount of transactions dealing between both parties for the latest one year. The definition of the so-called 「transaction amount」 shall be the same as Article 6.

## **Article 13**

Total amount of endorsement and/or guarantee by the Company shall be restricted to 150% of the net worth in the latest financial statement.

By the Company to a single enterprise, the ceiling of endorsement and/or guarantee amount shall not be more than 30% of the net worth in the latest financial statement. However, the endorsement and/or guarantee amount provided to the subsidiary which the Company holds more than 50% of voting shares shall not be restricted by the

above percentage. Nevertheless, the maximum shall not be more than 150% of the net worth in the latest financial statement.

Total amount of endorsement and/or guarantee by the Company and subsidiaries shall be restricted to 200% of the net worth in the latest financial statement of the Company.

By the Company and subsidiaries to a single enterprise, the ceiling of endorsement and/or guarantee amount shall not be more than 40% of the net worth in the latest financial statement of the Company. However, total endorsement and/or guarantee amount provided to the subsidiary, which the Company holds more than 50% of voting shares, shall not be restricted by the above percentage. Nevertheless, the maximum shall not be more than 200% of the net worth in the latest financial statement of the Company.

#### **Article 14**

The procedure of handling the endorsement and/or guarantee by the Company shall be as follows:

1. The party requesting for endorsement and/or guarantee shall submit application to the Company and the finance department of the Company shall consider its necessity and reasonability. In addition, the department shall conduct credit and risk review and further evaluate the operation risk, financial condition of the Company and the effect on the rights and interests of stockholder, then draft the terms and condition of such proposed endorsement and/or guarantee. If necessary, the Company will request the applicant to provide equivalent amount of guarantee note, guarantor or collateral to register pledge or mortgage.
2. After examination, the finance department will submit the examination opinion together with related information to the Board of Directors (or the Chairman) for resolution (or approval).
3. For endorsement and/or guarantee that is approved by the Board of Directors (or the Chairman), the finance department shall fill in the stamped application with the endorsement and/or guarantee information and the document approved by the Board of Directors (or the Chairman) that will all be submitted to the seal custodian for sealing. If the endorsement and/or guarantee is disapproved, the finance department shall prepare document explaining the reason of not granting the endorsement and/or guarantee that will be sent to the applicant together with related information.

4. After the endorsement and/or guarantee and guarantee procedure have been processed properly, the finance department shall keep related information as reference and will register this in the 「Endorsement and/or guarantee and cancellation reference book」 in order to control the amount of the endorsement and/or guarantee.

### **Article 15**

The exclusive seal for processing of endorsement and/or guarantee of the Company is the Company seal which has been filed with the Ministry of Economic Affairs. That seal shall be kept by specified person consented by the Board of Directors and any change shall also be approved by the Board of Directors. In addition, the seal can only be applied as per the procedure stipulated in Article 14.

When conducting endorsement and/or guarantee to overseas company, the letter of guarantee issued by the Company shall be executed by the person authorized by the Board of Directors and shall not need to be sealed by the above-mentioned exclusive seal.

### **Article 16**

Any endorsement and/or guarantee processed by the Company shall be conducted upon resolution by the Board of Directors. However, any guarantee amount to a single enterprise is within 5% of the net worth of the Company in the latest financial statement, the Chairman may first decide for its execution and afterwards it shall be submitted to the Board of Directors for pursuing recognition.

Where the position of independent director has been created, 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.

If the subsidiary that the Company holds 90% of voting shares intends to provide any endorsement and/or guarantee based on the provision of Paragraph 2 of Article 4, it has to be presented to the Board meeting of the Company for approval in advance, unless endorsement and/or guarantee is provided between the subsidiaries that the Company is directly and indirectly holding 100% of voting shares.

## **Article 17**

The internal control on endorsement and/or guarantee by the Company shall be as follows:

1. When conducting endorsement and/or guarantee items, the Company shall establish a notebook that shall record in detail including the endorsement and/or guarantee party, amount, date of passing by the Board of Directors or decision for execution by the Chairman, endorsement and/or guarantee date and items that shall be cautiously evaluated based on the provision of Subparagraph 1, Paragraph 1 of Article 14.
2. The internal audit personnel of the Company shall at least once a quarter conduct auditing on the procedure of endorsement and/or guarantee and its ongoing development and a written record shall be prepared. If major violation is discovered, which shall be notified every supervisor in writing immediately.
3. When there is circumstance changed in the Company resulting that the endorsed and/or guaranteed party becomes unqualified the provisions of this procedure or the endorsement/guarantee amount exceeds the ceiling, an improvement plan shall be made and sent to every supervisor. Meanwhile, the improvement shall be made within the planned schedule so as to enhance the internal control of the Company.

## **Article 18**

When the Company is processing endorsement and/or guarantee and due to business requirement, it is necessary to exceed the ceiling stipulated by this procedure and it conforms to the terms and conditions stipulated by this procedure, it shall be resolved by the Board of Directors and the majority directors shall provide joint guarantee on the loss that may be occurred from overflow guarantee to the Company. In addition, this procedure shall be amended accordingly and shall be submitted to shareholders' meeting for approval afterwards. If the shareholders' meeting shall not approve, a plan shall be prepared to withdraw overflow guarantee within a certain period.

Where the position of independent director has been created, when a matter is 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.

## **Chapter 3 Disclosure of Information**

### **Article 19**

Before the 10th day of every month the Company shall publicly announce the balance amount of fund lending, endorsement and/or guarantee of the Company and its subsidiaries for the previous month.

### **Article 20**

When the fund lending of the Company has reached one of the following standards, it shall be reported and publicly announced within two days commencing immediately from the day of occurrence:

1. When the outstanding balance amount of fund lending of the Company and its subsidiary to other party has reached more than 20% of the net worth of the Company in the latest financial statement.
2. When the outstanding balance amount of fund lending of the Company and its subsidiary to a single enterprise has reached more than 10% of the net worth of the Company in the latest financial statement.
3. When the aggregate amount of newly increased fund lending of the Company or its subsidiary has reached more than NTD10,000,000 and reached more than 2% of the net worth of the Company in the latest financial statement.

### **Article 21**

When the endorsements and/or guarantees of the Company has reached one of the following standards, it shall be reported and publicly announced within two days commencing immediately from the day of occurrence:

1. When the outstanding balance amount of endorsement and/or guarantee of the Company and its subsidiary has reached more than 50% of the net worth of the Company in the latest financial statement.
2. When the outstanding balance amount of endorsement and/or guarantee of the Company and its subsidiary for a single enterprise has reached more than 20% of the net worth of the Company in the latest financial statement.
3. When the outstanding balance amount of endorsement and/or guarantee of the Company and its subsidiary on a single enterprise has reached more than NTD10,000,000, and the outstanding balance amount of total amount of its

endorsement and/or guarantee, long-term nature investment and fund lending has reached more than 30% of the net worth of the Company in the latest financial statement.

4. When the aggregate amount of newly increased endorsement and/or guarantee of the Company or its subsidiary has reached more than NTD30,000,000 and reached more than 5% of the net worth of the Company in the latest financial statement.

## **Article 22**

The Company shall evaluate the fund lending and shall make sufficient allowance for doubtful accounts. In addition, the Company shall evaluate or appropriate the contingent loss of endorsement and/or guarantee adequately disclosed in the financial statement and the Company shall provide related information to the CPA for necessary audit procedure.

## **Chapter 4 Miscellaneous**

## **Article 23**

If any subsidiary of the Company intends to lend funds to or make endorsement and/or guarantee for other party, the control procedures adopted by the Company shall be as follows:

1. To order its subsidiary to set up its own “Procedures for Fund Lending, Endorsement and Guarantee” in accordance with relevant guidelines, and carry out auditing in compliance with such relevant guidelines.
2. To order its subsidiary shall follow the Procedures set up by itself when lending funds and making endorsement and/or guarantee.
3. Internal auditors of the Company shall review the auditing report made by the subsidiary.
4. If the fund lending, endorsement and/or guarantee of a subsidiary that is not a domestic public company have reached the standards of public announcement and report, the Company shall do so for its subsidiary.

## **Article 24**

Where anyone in the Company shall have committed in violation of these Procedures,

then the Personnel Dept. shall take a discipline action against him/her according to the severity of circumstance.

#### **Article 25**

The Company intends to endorse and/or guarantee the subsidiary whose net worth is lower than 50% amount of the total paid-in capital, the criterions of control by the Company are as follows:

The Company shall periodically evaluate the finance, business and related credit condition, etc. of subsidiaries. Furthermore, the Company shall require the subsidiary to submit the means to improve its net worth. And if the net worth of the subsidiary is lower than 50% amount of the total paid-in capital in two successive years, the Company shall submit this circumstance to the Board of Directors for discussion.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

#### **Article 26**

Upon a resolution passed by the Board of Directors, these Procedures shall be submitted to each supervisor and submitted to the shareholders' meeting for ratification. If any director took an objection, and a record or written statement to the effect has to be made, then the Company shall submit the data about the objection of the director to each supervisor and shareholders' meeting for discussion. The same shall apply in case of any amendments thereof.

Where the position of independent director has been created, when these Procedures are 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.

#### **Article 27**

These Procedures were originally adopted on June 20, 2003.

The 1st amendment was made on June 12, 2006.

The 2nd amendment was made on June 12, 2007.

The 3rd amendment was made on June 10, 2009.

The 4th amendment was made on June 15, 2010.

The 5th amendment is made on June 15, 2011.

The 6th amendment is made on June 19, 2013.

# **EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION**

## **REGULATIONS FOR ELECTING DIRECTORS AND SUPERVISORS**

### **Article 1**

The election of the Directors and Supervisors of the Company shall be handled in accordance with the Regulations.

### **Article 2**

The election of the Directors and Supervisors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the Directors and Supervisors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

### **Article 2-1**

The election of the Directors and Supervisors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors or Supervisors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

### **Article 3**

Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the Shareholder of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.

#### **Article 4**

The required number of Directors, Independent Directors and Supervisors shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors and/or Supervisors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

#### **Article 5**

The vote shall be prepared by the Board of Directors, and shall note shareholder account number, Attendance Certificate number and number of voting right on the vote.

#### **Article 6**

If the elected person possesses shareholder status, in the "election candidate" column on the vote the voter shall fill in the name of the election candidate and shareholder account number. If the elected person does not possess shareholder status, the voter shall fill in the name and identity card number of the election candidate.

#### **Article 7**

Any vote that is in any of the following conditions shall be deemed ineffective:

- (1) Vote not specified in Article 5 of this regulation.
- (2) Blank vote.
- (3) Writing is blurred and cannot be identified.
- (4) If the filled in election candidate possesses shareholder status, when its account name, shareholder account number do not match the shareholder register; if the filled in election candidate does not possess shareholder status, his/her name and identity card number does not match.
- (5) Write other word apart from the name of the election candidate, shareholder account number, identity card number or the number of voting rights.
- (6) Two or more elected candidates are filled in the same vote.

## **Article 8**

After the votes are completed, the votes shall be opened on the spot, and the results of the votes shall be announced by the Chairman of the shareholders' meeting.

## **Article 9**

The Regulations shall come into force after the approval of the shareholders' meeting, and the same shall apply after amendment.

## **Article 10**

The Regulations were duly established on January 20, 1990;

The 1st amendment was made on May 11, 2001;

The 2nd amendment was made on July 27, 2002;

The 3rd amendment was made on June 15, 2011;

The 4th amendment is made on June 19, 2012.

## **The Proposal from the Board of Directors about the Remuneration to Directors and Supervisors, and Bonus to Employees**

1. Bonus to Employees in Cash: NT\$15,000,000.

Bonus to Employees in Stock: Nil.

Remuneration to Directors and Supervisors: NT\$5,000,000.

2. As the amount of employee bonus and remuneration of directors and supervisors proposed by the Board of Directors is different from the estimated number, the difference, reasons and measures should be disclosed as follows: none.

3. The amount of proposed distribution of employee stock bonus, and the size of such an amount as a percentage of the sum of the current after-tax net income and total employee bonus : Because it is not proposed distribution of employee stock bonus, this item is not applicable.

4. Recalculated EPS after distribution of employee bonus and directors & supervisors remuneration: Recalculated EPS after distribution of employee bonus and directors & supervisors remuneration is NT\$0.54, which is the same as the number on the Company's 2013 Financial Statements because the amount of employee bonus and remuneration of directors and supervisors proposed by the Board of Directors has already been estimated under aforementioned Statements.

# EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION

## The Shares-holding Table of Directors & Supervisors

April 14, 2014

| Title                                                      | Name                                                                      | Shares      |
|------------------------------------------------------------|---------------------------------------------------------------------------|-------------|
| Chairman                                                   | Evergreen Marine Corp. (Taiwan) Ltd.<br>Representative : Chen, Ching-Piao | 424,061,830 |
| Director                                                   | Evergreen Marine Corp. (Taiwan) Ltd.<br>Representative : Lin, Sun-San     |             |
| Director                                                   | Chang Yung-Fa Charity Foundation<br>Representative : Hsieh, Chih-Chien    | 100,000     |
| Director                                                   | Chang Yung-Fa Charity Foundation<br>Representative : Wey, Maw-Jiunn       |             |
| Director                                                   | Loh, Yao Fon                                                              | 2,331,231   |
| Total                                                      |                                                                           | 426,493,061 |
| the minimum of shares held by Directors according to law   |                                                                           | 40,000,000  |
| Supervisor                                                 | Evergreen International Corp.<br>Representative : Ko, Lee-Ching           | 90,220,968  |
| Supervisor                                                 | Evergreen International Corp.<br>Representative : Wu, Kuang-Hui           |             |
| Total                                                      |                                                                           | 90,220,968  |
| the minimum of shares held by Supervisors according to law |                                                                           | 4,000,000   |