

Stock Code : 2637

Wisdom Marine Lines Co., Limited

Agenda of 2017 Annual General Meeting

Date : June 23, 2017

Place : B1, No.85, Sec.4, Roosevelt Rd., Da'an Dist., Taipei City

106, Taiwan (NTU Second Student Activity Center)

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Wisdom Marine Lines Co., Limited

(the “**Company**”)

2017 Annual General Meeting Procedure

Call the Meeting to Order

Reports

Proposals for Reconition and Resolutions

Proposals for Resolutions

Others

Meeting Adjourned

Wisdom Marine Lines Co., Limited

2017 Annual General Meeting Agenda

Time : 10:00 a.m., Friday, June 23, 2017

Place : B1, No.85, Sec.4, Roosevelt Rd., Da'an Dist., Taipei City

106, Taiwan (NTU Second Student Activity Center)

- I. Call the Meeting to Order
- II. Chairman's Address
- III. Reports
 - 1. 2016 Business Report.
 - 2. 2016 Financial Report.
 - 3. The Audit Committee Report on the Review of the 2016 Financial Report.
 - 4. 2016 Directors' Remuneration Report
 - 5. Report on Adoption of Corporate Social Responsibility Best Practice Principles.
- IV. Proposals for Recognition and Resolutions
 - (i) Recognition of 2016 Financial Report.
 - (ii) Recognition of 2016 Dividend Proposal.
- V. Proposals for Resolutions
 - (i) Amendments to the Procedures for Asset Acquisition and Disposal
 - (ii) Distribution of Cash Dividends out of Capital Reserve (by Special Resolution)
 - (iii) Capitalization of Capital Reserve by Issuing New Shares (by Special Resolution)
 - (iv) Release of Non-Competition Obligation (by Special Resolution)
- VI. Others
- VII. Meeting Adjourned

Reports

1. 2016 Business Report

Explanatory Notes : Please refer to page 7 (Annex I).

2. 2016 Financial Report

Explanatory Notes : Please refer to page 9 for the 2016 financial report and the audit report of Ernst & Young (Annex II).

3. The Audit Committee Report on the review of the 2016 Financial Report

Explanatory Notes : Please refer to page 20 for the Audit Committee Report on the review of the 2016 Financial Report (Annex III).

4. 2016 Directors' Remuneration Report

Explanatory Notes :

- (i.) The distribution of directors' remuneration shall be made pursuant to the Company's Articles of Association of the Company and the resolutions of the Remuneration Committee.
- (ii.) The Company proposed to distribute director reward of NTD 5,328,278 by cash.
- (iii.) The Remuneration Committee approved the proposed director reward at 5th Meeting of the 3rd Remuneration Committee of the Company on March 24, 2017

5. Report on Adoption of Corporate Social Responsibility Best Practice Principles.

Explanatory Notes : Please refer to page 21 for the Corporate Social Responsibility Best Practice Principles (Annex IV).

Proposals for Recognition and Resolutions

1. Recognition of 2016 Financial Report

Explanatory Notes :

1. The financial report including consolidated results of the Company for 2016 (the “2016 Financial Report”) has been audited by Ernst & Young and reviewed by the Audit Committee of the Company.
2. Please refer to page 9 (Annex II) for the 2016 Financial Report and the audit report of Ernst & Young.
3. The above is hereby proposed for recognition.

Resolution:

2. Recognition of 2016 Dividend Proposal

Explanatory Notes :

1. The Board of Directors of the Company (the “**Board**”) has approved a dividend proposal of 2016 profit (the “**Dividend Proposal**”) on April 28, 2017. The details of the proposed Dividend Proposal is set out as follows:

Wisdom Marine Lines Co., Ltd.

2016 Earning Distribution Table Unit : NT\$

Items	Undistributed Earnings
2016 Distributable Retained Earnings	10,226,587,596
minus : 2016 Legal Reserve	(224,460)
add : 2016 Net Income	1,399,777,236
(Remarks 1)	
minus : 2016 Other Income	(1,029,900)
Total Distributable Earnings up to 2016	11,625,110,472
Undistributed Earnings at End of 2016	11,625,110,472
Remark 1: Equivalent to USD43,387,801.	

2. The total amount of distributable retained earnings up to the year of 2016 was NT\$ 11,625,110,472. The total amount of undistributed earnings at the end of 2016 was NT\$11,625,110,472.
3. The above is hereby proposed for recognition.

Resolution:

Proposals for Resolutions

1. Amendments to The Procedures for Asset Acquisition and Disposal

Explanatory Notes :

1. In order to better comply with *Regulations Governing the Acquisition and Disposal of Assets by Public Companies*, the Company proposed to amend the Procedures for Asset Acquisition.
2. Please refer to page 27 (Annex IV) for the comparison table for the Amendments to The Procedures for Asset Acquisition and Disposal.
3. The above is hereby proposed for resolution.
Resolution :

2. Distribution of Cash Dividends out of Capital Reserve (by Special Resolution)

Explanatory Notes :

1. The total Capital Reserve from the issuance of shares at a premium in the 2016 Financial Report is NT\$1,971,793,737. The Company proposed to distribute, on a date (the “Dividend Declaration Distribution Date”) to be determined by the Board of Directors of the Company (the “Board”), NT\$ 556,864,349 out of Capital Reserve by declaring an annual ordinary share cash dividend (the “Cash Dividends”) of approximately NT\$1.0 per share, and (the “Dividend Ratio”), leaving a total of NT\$ 1,414,929,388 in Capital Reserve after the distribution of the Cash Dividends.
2. The aforementioned Cash Dividends will be distributed at NT\$1,000 per 1,000 shares to the nearest New Taiwan Dollar according to the shareholding as set out in the Register of Members of the Company as of a record date for determining Members who are entitled to receive payment of Cash Dividends, as determined by the Directors in accordance with the Articles (the “Dividend Declaration Record Date”). The Chairman will be authorised to distribute to specific persons any amount remaining as a result of rounding off the Cash Dividends.
3. Prior to the Dividend Declaration Distribution Date, the Board shall be authorised to adjust the Dividend Ratio, and make public announcement(s) of such adjustment(s) in cases such as, but not limited to, share repurchases, share cancellations, the exercise of employee’s stock options, issuance of

new shares, the conversion of convertible bonds and issuance of global depositary receipts, whereby the the number of issued and outstanding shares on the Dividend Declaration Record Date may be affected.

4. The Board of Directors shall be authorised to set the Dividend Declaration Record Date and determine and finalize all matters in relation to the distribution of the Cash Dividends.
5. The above is hereby proposed for resolution.

Resolution :

3. **Capitalization of Capital Reserve by Issuing New Shares (by Special Resolution) (Proposed by the Board of Directors)**

Explanatory Notes :

- (1) The Board has proposed to capitalize the Company's Capital Reserve (the "**Capitalization**") by allotting and issuing 27,843,217 new Shares of par value NTD10 each ("**New Shares**"), to the Members at 50 Shares per 1,000 Shares (the "**Capitalization Distribution Ratio**") based on the shareholding set out in the Register of Members of the Company as of a record date for determining Members who are entitled to receive the New Shares, as determined by the Directors in accordance with the Articles (the "**Capitalization Record Date**"). After obtaining approval for the Capitalization at this Meeting and from the relevant Taiwan government authority, the Board shall determine a date for the distribution of the New Shares (the "**Capitalization Distribution Date**"), provided that the Members, or failing that, the Chairman of the Company, shall take all actions necessary, desirable or expedient to deal with any resulting fractions so that at any time the Register of Members of the Company will register the shareholding of the Members in whole number without fraction.
- (2) After the issuance of the New Shares, the issued share capital of the Company will be increased from NTD5,568,643,490 divided into 556,864,349 shares of par value NTD10.00 each. After the Capitalization, the issued share capital of the Company will be increased by 5% to NTD5,847,075,665 divided into 584,707,566 shares of par value NTD10.00 each. Upon Members' approval at this Meeting, it was proposed that the Board be authorized to set the Capitalization Record Date.
- (3) The New Shares will be issued by way of book-entry without issuing any physical share certificate, and the New Shares will rank pari passu and have the same rights and obligations as the current issued and outstanding shares of par value NTD10 of the Company.
- (4) It was further proposed that the Board be authorized the full powers to adjust the Capitalization Distribution Ratio, and make public announcement of such adjustment(s), based on the number of issued and outstanding Shares as of the Capitalization Record Date.

4. Waiver of Director's Non-Competition Obligation

Explanatory Notes :

1. Pursuant to Article 209 of the Company Act, a director engaging, either for himself or on behalf of another person, in activities that are within the scope of the company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
2. It is hereby the following Director will be released of their non-competition obligations.

Director	Waiver of Director's Non-Competition Obligation	Industry
Mr. Huang Jen-Chung	Shih Wei Navigation Co., Ltd Independent Director	Shipping and Transportation

3. The above is hereby proposed for resolution.

Resolution :

Others

Meeting Adjourned

附錄

Annex I. 2016 Management Report

Wisdom Marine Lines Co., Ltd. 2016 Management Report

I. Review of Business and Strategy

Fleet Changes

In 2016, we have taken delivery of 10 new vessels. At the same time, we also disposed 2 owned vessels. Our total fleet changed from 106 to 114 in 2016. As at the end of 2016, the average ship age of our fleet is 5.9 years.

Business Overview

The dry bulk market has seen its worst in 2016Q1. The BDI dropped to a historical low at 290 in February. The extreme market condition has caused much impact to the business activities of the Company. Despite the overall long term contract protection, the new building employment and existing charter renewal was negatively impacted. So the operating margin has deteriorated sharply in Q1.

Over the year, we have concluded many charter termination agreements with our Charterers and that has resulted in USD29.49M in cash payment as other incomes. The compensation has increased our cash position but further reduced our operating profit. In addition, we have confiscated USD10.34M deposited for unperformed ship sale transactions.

In the later half of the year, the dry bulk shipping market has seen steady signs of recovery and the BDI has gradually reached the level of 1,257 in mid-November. However, as most of our new building and renewal activities are concentrated in the first half, such a recovery did not have an immediate impact on our earning in 2016.

Compared with earlier years, the new vessels on 2016 did not become an income driver for the Company. These new eco-ships were only able to obtain an average profit margin of 8.6% in 2016, which is already higher than market level.

On the contract renewal side, the time charter contracts of 47 vessels expired in 2016 and we have renewed or replaced these contracts. The new daily earning is about 27.8% lower than the original level.

Financial Performances

When compared with 2015, our revenue shrank by 4.6% and income from operation shrank by 35.42%. With all the other income from contract termination and confiscated deposit, the annual net income shrank by 39.07%.

Prospect for 2017

We expect to take delivery of 12 vessels in 2017. The early part of 2017 has continued the upward momentum observed in late 2016 and now we are seeing a much healthier dry bulk market. The extreme market condition in 2016 has expedited the capacity adjustment of ship supply by getting more ships demolished and fewer ships ordered.

We understand that the Ballast Water Management Convention will take effect this year. This could increase the capital expenditure requirement on existing ships and will become an important consideration for owners operating older ships. So we expect the momentum of demolition will continue despite the possible recovery. And the NOx emission requirements will keep the new building level rather low for most of 2017.

As such, we are uncertain how long the the current upward trend will continue but the current mild recovery indeed has a better chance to stay than a sudden price hike.

Strategy

As we are seeing the freight market doubled from very low level last year, many potential contracts can now provide healthy profit and cash flow. We will gradually fix the employment of new ships this year, possibly on 2 to 5 year terms so as to secure a stable cash flow for longer period. We also expect that such a charter duration can give us better hire level than a 1 year contract.

When we see acceptable market level, we would fix the employment and leave the potential market upside to the other ships in our fleet that will face employment renewal in the months to come.

II. Risk Factors

Market Risks

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. The bulk and break-bulk shipping industry is cyclical with high volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of bulk vessels has varied widely. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by water internationally. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. As a shipping company, we face volatile shipping market conditions.

This volatility in the charter hire rates may result in volatility in our operating results to the extent that we enter into new charter agreements or renew existing agreements during a time when charter rates are weaker, which may result in a decrease in our profitability and adversely affect our results of operations. Our ability to re-charter our dry bulk vessels upon the expiration or termination of their current time charters and charter new vessels as they are delivered to us, and the charter rates payable under any renewal or replacement charters will depend upon, among other things, the current state of the dry bulk shipping market. We are exposed to changes in spot market rates for dry bulk carriers at the time of entering into charter contracts. If the dry bulk shipping market is in a period of depression when our vessels' charters expire, we may be forced to re-charter them at reduced rates or even possibly at a rate whereby we incur a loss, which may reduce our earnings or make our earnings volatile.

Default Risk

The ability and willingness of each of our counterparties to perform its obligations under a period time charter agreement with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the dry bulk shipping industry and the overall financial condition of the counterparties. If we enter into period time charters with charterers when charter rates are high and charter rates subsequently fall significantly, charterers may seek to renegotiate financial terms or may default on their obligations. Additionally, charterers may attempt to bring claims against us based on vessel performance or cargo loading or unloading operations, and seek to renegotiate financial terms or avoid payments. Also, our charterers may experience financial difficulties and even file bankruptcy due to prevailing economic conditions or for other reasons, and as a result may default on their obligations.

If a charterer defaults on a charter, we will, to the extent commercially reasonable, seek the remedies available to us, which may include arbitration or litigation to enforce the contract. Should a charterer

default on a period time charter, we may have to enter into a charter at a lower charter rate, which would reduce our revenues. If we cannot enter into a new period time charter, we may have to secure a charter in the spot market, where charter rates are volatile and revenues are less predictable. It is also possible that we would be unable to secure a charter at all, which would also reduce our revenues, and could have a material adverse effect on our business, financial condition, results of operations, loan and credit facility covenants and cash flows.

Operation Risk

Our operation has certain unique risks. With a bulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, bulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, bulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach to the sea. Hull breaches in bulk carriers may lead to the flooding of the vessels' holds. If a bulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to the loss of a vessel. If we are unable to adequately maintain our vessels we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition and results of operations.

In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather, mechanical failures, human error, environmental accidents, war, terrorism, piracy and other circumstances or events. In addition, transporting cargoes across a wide variety of international jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes and boycotts, the potential for changes in tax rates or policies, and the potential for government expropriation of our vessels. Any of these events may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

In the event of a casualty to a vessel or other catastrophic event, we will rely on our insurance to pay the insured value of the vessel or the damages incurred. We cannot assure you that we will be adequately insured against all risks or that we will be able to obtain adequate insurance coverage at reasonable rates for our vessels in the future.

Financial Risk

We generate substantially all of our revenues in U.S. dollars. In the future, we may enter into new credit facilities or new building contracts that are denominated in or permit conversion into currencies other than the U.S. dollar. The use of different currencies could lead to fluctuations in our net income due to changes in the value of the U.S. dollar relative to other currencies, particularly the Japanese yen.

We selectively engage in foreign exchange hedging transactions, such as forward contracts and options, designed to minimize our exposure to foreign exchange rate fluctuations. We regularly review the hedging program and will make adjustments as necessary, including suspending or accelerating hedging activities based on our judgment of the efficacy of such programs under anticipated market and economic conditions. However, there can be no assurance that our foreign currency management strategy will adequately protect our financial condition or results of operations from the effects of future exchange rate fluctuations. In addition, such hedges and strategies themselves present some risk, including potential trading losses as a result of unexpected appreciations of other currencies against the US dollar, which would negatively impact our result of operations.

Additionally, an increase in prevailing interest rates would have an effect on the interest rates charged on our variable rate debt, which rise and fall upon changes in interest rates. If the prevailing interest rates or other factors result in higher interest rates, the increased interest expense would adversely affect our cash flow and our ability to service our debt. If interest rates are higher when our debt becomes due, we may be forced to borrow at the higher rates.

The impact of future exchange rate and interest rate fluctuations on our results of operations and financial condition cannot be accurately predicted, and there can be no assurance that our attempt to mitigate the adverse effects of exchange rate and interest rate fluctuations will be successful or that such fluctuations will not in the future have a material adverse effect on our results of operations and financial condition.

Annex II. Audit Report of Independent Auditors and 2016 Financial Report

Audit Report of Independent Auditors English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Stockholders of
Wisdom Marine Lines Co., Limited (Cayman)

Opinion

We have audited the accompanying consolidated balance sheets of Wisdom Marine Lines Co., Limited (Cayman) (the “Company”) and its subsidiaries (together the “Group”) as of 31 December 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2016 and 2015, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2016 and 2015, and their consolidated financial performance and cash flows for the years ended 31 December 2016 and 2015, in conformity with the requirements of the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2016 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of property, plant and equipment

The management assessed if there is any indication that an asset may be impaired on balance sheet date. If there is any indication that an asset may be impaired, the Group should evaluate the recoverable amount of the cash-generating-unit (CGU), to which the asset belongs. The property, plant and equipment of the Group mainly consists of vessel equipment. The subsidiaries of the Company took the one-vessel-one-company strategy to manage vessels, and the main CGU for each subsidiary is their vessels. With the view that the amount of property, plant and equipment being material and the calculation of recoverable amount involving numerous assumptions and estimates, we have determined the impairment of property, plant and equipment as a key audit matter. The audit procedures we conducted regarding the impairment of property, plant and equipment included but not limited to the following, evaluating the appropriateness of the accounting policy for impairment of property, plant and equipment; inspecting the impairment evaluation report provided by the Group and assess the reasonableness of the identification of indication of impairment and the assumptions used, including identification of CGU, estimation of cash flows and discount rate. We also evaluated the disclosure regarding to property, plant and equipment in Note 5 and 6 of the consolidated financial statement.

Valuation of the put option embedded in bond payable

The fair value measurement hierarchy of the put option embedded in bond payable is categorized as Level 3. The measurement of Level 3 investment uses unobservable inputs. The management measured the put option based on source data from external valuation institute. As the external valuation has significant impact on the estimates of fair value, we determined the issue to be a key audit matter. The audit procedures we conducted regarding the valuation of the put option included but not limited to the following, comparing the report provided by internal experts with the report and related documents provided by the management; evaluating the reasonableness of the valuation methods and key valuation assumptions used by external valuation institute; conducting the recalculation and comparing the result with the one provided by the management. We also evaluated the disclosure regarding to valuation of the put option in Note 5, 6 and 12 of the consolidated financial statement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee and Interpretations developed by the Standing Interpretations Committee and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2016 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

24 March 2017
Taipei, Taiwan
Republic of China

Notice to Readers

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2016 and 2015
(All Amounts Expressed in US Dollars)

	Notes	31 December 2016	31 December 2015
ASSETS			
Cash and cash equivalents	6.1	\$32,603,818	\$58,248,462
Financial assets at fair value through profit or loss-current	6.2	-	957,811
Available-for-sale financial assets-current	6.3 & 8	5,368,010	-
Held to maturity financial assets-current	6.4 & 8	-	3,000,577
Hedge derivatives financial assets-current	6.5	-	6,293,077
Accounts receivable, net	6.6	3,918,415	4,077,775
Lease receivables	6.13	-	1,224,470
Accounts receivable-related parties	6.6&7	255,884	176,125
Other receivables	7	368,113	1,846,992
Inventories	6.7	3,544,442	2,665,385
Prepaid expenses		5,542,377	5,428,367
Other financial assets-current	6.1& 8	25,347,361	23,819,537
Other current assets	7	10,200,635	9,386,243
Total current assets		87,149,055	117,124,821
Financial assets at fair value through profit or loss-noncurrent	6.2	-	505,198
Held to maturity financial assets-noncurrent	6.4& 8	569,365	577,015
Hedge derivative financial assets-noncurrent	6.5	-	3,536,612
Investment accounted for using equity method	6.8	4,273,280	-
Property, plant and equipment	6.9, 7& 8	2,463,988,391	2,328,743,136
Deferred income tax assets	6.20	36,735	63,595
Long-term lease receivables	6.13	-	2,999,421
Other financial assets-noncurrent		8,049,468	6,746,692
Other noncurrent assets-other	6.10	91,797,735	104,310,990
Total noncurrent assets		2,568,714,974	2,447,482,659
TOTAL ASSETS		\$2,655,864,029	\$2,564,607,480

The accompanying notes are an integral part of the consolidated financial statements.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(CONT'D)
31 December 2016 and 2015
(All Amounts Expressed in US Dollars)

	Note	31 December 2016	31 December 2015
LIABILITIES			
Short-term borrowings	6.11	\$25,342,002	\$26,055,662
Financial liabilities at fair value through profit or loss	6.2& 6.12	2,771,935	8,819
-current			
Accounts payable		4,112,541	3,243,255
Accounts payable-related parties	7	3,335	29,990
Accrued expenses	7	19,412,964	15,284,085
Advance receipts		16,980,646	27,377,935
Other current liabilities-others		1,899,231	698,124
		<u>70,522,654</u>	<u>72,697,870</u>
Current portion of corporate bonds payable	6.12	74,568,868	-
Current portion of long-term borrowings	6.11	186,242,664	154,741,387
Current portion of long-term accounts payable	6.13	3,283,426	3,875,000
Current portion of lease payables	6.13	15,593,148	3,635,900
		<u>279,688,106</u>	<u>162,252,287</u>
Total current liabilities		<u>350,210,760</u>	<u>234,950,157</u>
Financial liabilities at fair value through profit or loss	6.2&6.12	-	1,394,446
-noncurrent			
Corporate bonds payable	6.12	11,951,781	85,159,074
Long-term borrowings	6.11	1,232,963,816	1,203,366,507
Deferred income tax liabilities	6.20	28,964	43,753
Long-term accounts payable	6.13	28,031,082	21,418,000
Long-term lease payables-noncurrent	6.13	46,577,216	37,743,601
Long-term accounts payable-related parties	7	90,932,264	78,521,491
Net defined benefit liabilities	6.14	127,258	243,216
Total non-current liabilities		<u>1,410,612,381</u>	<u>1,427,890,088</u>
TOTAL LIABILITIES		<u>1,760,823,141</u>	<u>1,662,840,245</u>
EQUITY			
	6.12&6.15		
Common stock		175,871,257	163,009,336
Capital surplus		64,554,101	80,911,063
Legal reserve		6,960	-
Unappropriated earnings		376,817,835	333,468,917
Cumulative translation adjustments		272,468,139	301,691,412
Unrealized gains or losses on available-for-sale financial assets		111,672	-
Effective portion of gains on hedging instrument in a cash flow hedge		1,626,743	18,178,062
Total equity attributable to equity holders of the Company		<u>891,456,707</u>	<u>897,258,790</u>
Non-controlling interest		3,584,181	4,508,445
TOTAL EQUITY		<u>895,040,888</u>	<u>901,767,235</u>
TOTAL EQUITY AND LIABILITIES		<u>\$2,655,864,029</u>	<u>\$2,564,607,480</u>

The accompanying notes are an integral part of the consolidated financial statements.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2016 and 2015
(All Amounts Expressed in US Dollars)

	Notes	2016	2015
Operating revenues	6.16& 7	\$331,004,781	\$346,953,521
Operating costs	6.9, 6.17& 7	276,621,240	263,367,267
Gross profit from operations		54,383,541	83,586,254
Operating expenses	6.9, 6.17& 7	4,753,075	6,738,260
Profit from operating activities		49,630,466	76,847,994
Interest income	6.13 & 6.18	682,960	1,347,447
Others income and gains	6.3, 6.13, 6.18 & 9	42,840,445	5,475,257
Gains (Losses) on disposal of property, plant and equipment	6.9, 6.18 & 7	846,550	15,436,404
Foreign exchange gains (losses)	6.18	(1,511,751)	3,815,817
Gains (Losses) on valuation of financial instruments or liabilities at fair value through profit or loss	6.12 & 6.18	(2,005,318)	(257,396)
Gains (Losses) on derecognition of held to maturity financial assets	6.18	-	(1,253,560)
Interest expense	6.9, 6.12, 6.13 & 7	(36,133,021)	(30,182,892)
Other expenses and losses	6.18 & 7	(2,919,263)	(341,761)
Share of loss of associates and joint ventures accounted for using equity method	6.8	(8,126,797)	-
Total other income and losses		(6,326,195)	(5,960,684)
Profit before income tax		43,304,271	70,887,310
Income tax expense (income)	6.20	120,734	15,576
Profit for the year		43,183,537	70,871,734
Other Comprehensive income:	6.19		
Remeasurement of defined benefit plan		(31,923)	(15,899)
Cumulative translation adjustments	6.8	(29,223,273)	5,799,555
Unrealized gains or losses on available-for-sale financial assets		111,672	-
Effective portion of gains (losses) on hedging instrument in a cash flow hedge		(16,551,319)	(23,621,061)
Other Comprehensive income		(45,694,843)	(17,837,405)
Total Comprehensive income		<u>\$(2,511,306)</u>	<u>\$53,034,329</u>
Profit for the year attributable to:			
-Owners of the Company		\$43,387,801	\$70,720,929
-Non-controlling interests		(204,264)	150,805
		<u>\$43,183,537</u>	<u>\$70,871,734</u>
Total Comprehensive income attributable to:			
-Owners of the Company		\$(2,307,042)	\$52,883,524
-Non-controlling interests		(204,264)	150,805
		<u>\$(2,511,306)</u>	<u>\$53,034,329</u>
Primary earnings per Share	6.21	<u>\$0.08</u>	<u>\$0.14</u>
Diluted earnings per Share	6.21	<u>\$0.08</u>	<u>\$0.13</u>

The accompanying notes are an integral part of the consolidated financial statements.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEARS ENDED 31 DECEMBER 2016 and 2015
 (All Amounts Expressed in US Dollars)

	Retained earnings			Other components of equity						
	Common stock	Capital surplus	Legal reserve	Unappropriated earnings	Cumulative translation adjustments	Unrealized gains or losses on available-for-sale financial assets	Effective portion of gains (losses) on hedging instrument in a cash flow hedge	Total equity attributable to equity holders of the Company	Non-controlling interest	Total
Balance, 1 January 2015	\$149,096,462	\$89,624,676	\$-	\$262,763,887	\$295,891,857	\$-	\$41,799,123	\$839,176,005	\$5,077,640	\$844,253,645
Cash dividends from capital surplus	-	(47,381,032)	-	-	-	-	-	(47,381,032)	-	(47,381,032)
Profit for the year ended 31 December, 2015	-	-	-	70,720,929	-	-	-	70,720,929	150,805	70,871,734
Other comprehensive income for the year ended 31 December 2015	-	-	-	(15,899)	5,799,555	-	(23,621,061)	(17,837,405)	-	(17,837,405)
Comprehensive income for the year ended 31 December 2015	-	-	-	70,705,030	5,799,555	-	(23,621,061)	52,883,524	150,805	53,034,329
Exercise of convertible bonds	13,912,874	35,503,096	-	-	-	-	-	49,415,970	-	49,415,970
Equity component-stock option from issuing convertible bonds	-	3,164,323	-	-	-	-	-	3,164,323	-	3,164,323
Non-controlling interest	-	-	-	-	-	-	-	-	(720,000)	(720,000)
Balance, 31 December 2015	\$163,009,336	\$80,911,063	\$-	\$333,468,917	\$301,691,412	\$-	\$18,178,062	\$897,258,790	\$4,508,445	\$901,767,235
Balance, 1 January 2016	\$163,009,336	\$80,911,063	\$-	\$333,468,917	\$301,691,412	\$-	\$18,178,062	\$897,258,790	\$4,508,445	\$901,767,235
Cash dividends from capital surplus	-	(39,537,270)	-	-	-	-	-	(39,537,270)	-	(39,537,270)
Legal reserve	-	-	6,960	(6,960)	-	-	-	-	-	-
Profit for the year ended 31 December 2016	-	-	-	43,387,801	-	-	-	43,387,801	(204,264)	43,183,537
Other comprehensive income for the year ended 31 December 2016	-	-	-	(31,923)	(29,223,273)	111,672	(16,551,319)	(45,694,843)	-	(45,694,843)
Comprehensive income for the year ended 31 December 2016	-	-	-	43,355,878	(29,223,273)	111,672	(16,551,319)	(2,307,042)	(204,264)	(2,511,306)
Capital increase by cash	12,633,041	22,655,998	-	-	-	-	-	35,289,039	-	35,289,039
Exercise of convertible bonds	228,880	524,310	-	-	-	-	-	753,190	-	753,190
Non-controlling interest	-	-	-	-	-	-	-	-	(720,000)	(720,000)
Balance, 31 December 2016	\$175,871,257	\$64,554,101	\$6,960	\$376,817,835	\$272,468,139	\$111,672	\$1,626,743	\$891,456,707	\$3,584,181	\$895,040,888

The accompanying notes are an integral part of the consolidated financial statements.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2016 and 2015
(All Amounts Expressed in US Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$43,304,271	\$70,887,310
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expenses	122,852,665	114,549,668
Amortization expenses	8,837	13,785
Bad debt expenses	36,949	1,606,350
Losses (Gains) on financial assets or liabilities at fair value through profit or loss	2,896,514	1,655,484
Interest expense	36,133,021	30,182,892
Interest income	(682,960)	(1,347,447)
Losses (Gains) on foreign currency exchange on corporate bond payable	15,991	31,331
Share of loss of associates and joint ventures accounted for using equity method	8,126,797	-
Losses (Gains) on disposal of property, plant and equipment	(846,550)	(15,436,404)
Unrealized losses (gains) on foreign exchange	(334,939)	15,626
Amortization of available-for-sale financial assets	(508)	-
Amortization of held to maturity financial assets	8,227	(808,525)
Losses (Gains) on derecognition of held to maturity financial assets	-	1,253,560
Amortization of convertible bonds payable issuance costs	362,927	339,069
Other income	(13,330,985)	-
Other item	2,220,910	(1,867)
Change in assets and liabilities		
Decrease (Increase) in accounts receivable	(2,244,291)	167,495
Decrease (Increase) in accounts receivable-related parties	(79,759)	(176,125)
Decrease (Increase) in other receivables	1,432,515	(1,173,921)
Decrease (Increase) in inventories	(879,057)	(851,537)
Decrease (Increase) in prepaid expenses	(114,010)	(43,822)
Decrease (Increase) in other current assets	(814,392)	1,117,595
Increase (Decrease) in accounts payable	869,286	323,406
Increase (Decrease) in accounts payable-related parties	(26,655)	29,990
Increase (Decrease) in accrued expenses	1,755,477	2,462,388
Increase (Decrease) in advance receipts	(1,329,918)	409,248
Increase (Decrease) in other current liabilities	1,201,107	692,645
Increase (Decrease) in net defined benefit liabilities	(145,814)	(8,506)
Cash generated from operating activities	200,395,656	205,889,688
Interest received	719,768	1,289,514
Interest paid	(32,155,456)	(27,891,896)
Income taxes paid	(29,727)	(764)
Net cash provided by operating activities	168,930,241	179,286,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(994,780)	-
Proceeds from derecognition of held-to-maturity financial assets	3,000,000	2,902,040
Proceeds from disposal of hedge derivative financial assets	5,000,066	22,430,770
Acquisition of investment accounted for using equity method	(12,403,101)	-
Acquisition of property, plant and equipment	(9,944,155)	(17,959,555)
Proceeds from disposal of property, plant and equipment	29,610,176	105,073,500
Decrease (Increase) in long-term lease receivable	1,117,616	1,737,333
Decrease (Increase) in other financial assets	(1,543,401)	(2,782,348)
Decrease (Increase) in other noncurrent assets (prepaid expenses-vessel)	(272,562,335)	(398,134,754)
Net cash used in investing activities	(258,719,914)	(286,733,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings	(713,660)	(2,363,047)
Issuance of bonds payable	-	78,311,844
Increase (Decrease) in long-term borrowings	30,560,426	103,218,337
Increase (Decrease) in lease payables	16,336,158	20,873,936
Increase (Decrease) in other finance liabilities	18,432,281	(1,985,425)
Distribution of cash dividend	(39,537,270)	(47,381,032)
Increase in Cash Capital	35,289,039	-
Changes in non-controlling interests	(720,000)	(720,000)
Net cash provided by financing activities	59,646,974	149,954,613
FOREIGN EXCHANGE RATE EFFECTS	4,498,055	350,820
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,644,644)	42,858,961
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	58,248,462	15,389,501
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$32,603,818	\$58,248,462

The accompanying notes are an integral part of the consolidated financial statement.

慧洋海運股份有限公司

審計委員會審查報告書

董事會造送本公司西元二〇一六年度財務報表，業經委託安永聯合會計師事務所林麗鳳、傅文芳會計師查核完竣，並出具查核報告。

上述財務報表經本審計委員會審查，認為尚無不符，爰依中華民國證券交易法第十四條之四規定

報告如上，敬請 鑒察。

此 致

本公司二〇一七年股東常會

慧洋海運股份有限公司

審計委員會召集人：黃仁宗



西 元 二 〇 一 七 年 三 月 二 十 四 日

Annex IV. Corporate Social Responsibility Best Practice Principles

第一章 總則

第一條

本公司為實踐企業社會責任，並促成經濟、環境及社會之進步，以達永續發展之目標，爰參照「上市上櫃公司企業社會責任實務守則」及相關法令規定訂定本實務守則，以資遵循並以管理對經濟、環境及社會風險與影響。

第二條

本守則包括公司及其集團企業之整體營運活動。

本公司於從事企業經營之同時，積極實踐企業社會責任，以符合國際發展趨勢，並透過企業公民擔當，提升國家經濟貢獻，改善員工、社區、社會之生活品質，促進以企業責任為本之競爭優勢。

第三條

本公司履行企業社會責任，應注意利害關係人之權益，在追求永續經營與獲利之同時，重視環境、社會與公司治理之因素，並將其納入公司管理方針與營運活動。

第四條

本公司對於企業社會責任之實踐，宜依下列原則為之：

- 一、落實公司治理。
- 二、發展永續環境。
- 三、維護社會公益。
- 四、加強企業社會責任資訊揭露。

第五條

本公司應考量國內外企業社會責任之發展趨勢與企業核心業務之關聯性、公司本身及其集團企業整體營運活動對利害關係人之影響等，訂定企業社會責任政策、制度或相關管理方針及具體推動計畫。

第二章 落實公司治理

第六條

本公司遵循上市上櫃公司治理實務守則、上市上櫃公司誠信經營守則及上市上櫃公司訂定道德行為準則參考範例，建置有效之治理架構及相關道德標準，以健全公司治理。

第七條

本公司之董事應盡善良管理人之注意義務，督促企業實踐社會責任，並隨時檢討其實施成效及持續改進，以確保企業社會責任政策之落實。

本公司之董事會於公司履行企業社會責任時，宜充分考量利害關係人之利益並包括下列事項：

- 一、提出企業社會責任使命或願景，制定企業社會責任政策、制度或相關管理方針。

二、 將企業社會責任納入公司之營運活動與發展方向，並核定企業社會責任之具體推動計畫。

三、 確保企業社會責任相關資訊揭露之即時性與正確性。

本公司針對營運活動所產生之經濟、環境及社會議題，應由董事會授權高階管理階層處理，並向董事會報告處理情形，其作業處理流程及各相關負責之人員應具體明確。

第八條

本公司宜定期舉辦履行企業社會責任之教育訓練，包括宣導前條第二項等事項。

第九條

本公司為健全企業社會責任之管理，宜設置推動企業社會責任之專（兼）職單位，負責企業社會責任政策、制度或相關管理方針及具體推動計畫之提出及執行，並定期向董事會報告。

本公司宜訂定合理之薪資報酬政策，以確保薪酬規劃能符合組織策略目標及利害關係人利益。

員工績效考核制度宜與企業社會責任政策結合，並設立明確有效之獎勵及懲戒制度。

第十條

本公司應本於尊重利害關係人權益，辨識公司之利害關係人，並於公司網站設置利害關係人專區；透過適當溝通方式，瞭解利害關係人之合理期望及需求，並妥適回應其所關切之重要企業社會責任議題。

第三章 發展永續環境

第十一條

本公司應遵循環境相關法規及相關之國際準則，適切地保護自然環境，且於執行營運活動及內部管理時，應致力於達成環境永續之目標。

第十二條

本公司宜致力於提升各項資源之利用效率，並使用對環境負荷衝擊低之再生物料，使地球資源能永續利用。

第十三條

本公司宜依其產業特性建立合適之環境管理制度，該制度應包括下列項目：

- 一、 收集與評估營運活動對自然環境所造成影響之充分且及時之資訊。
- 二、 建立可衡量之環境永續目標，並定期檢討其發展之持續性及相關性。
- 三、 訂定具體計畫或行動方案等執行措施，定期檢討其運行之成效。

第十四條

本公司宜設立環境管理專責單位或人員，以擬訂、推動及維護相關環境管理制度及具體行動方案，並定期舉辦對管理階層及員工之環境教育課程。

第十五條

本公司宜考慮營運對生態效益之影響，促進及宣導永續消費之概念，並依下列原則從事研發、採購、生產、作業及服務等營運活動，以降低公司營運對自然環境及人類之衝擊：

- 一、 減少產品與服務之資源及能源消耗。
- 二、 減少污染物、有毒物及廢棄物之排放，並應妥善處理廢棄物。
- 三、 增進原料或產品之可回收性與再利用。
- 四、 使可再生資源達到最大限度之永續使用。
- 五、 延長產品之耐久性。
- 六、 增加產品與服務之效能。

第十六條

為提升水資源之使用效率，本公司應妥善與永續利用水資源，並訂定相關管理措施。本公司應興建與強化相關環境保護處理設施，以避免污染水、空氣與土地；並盡最大努力減少對人類健康與環境之不利影響，採行最佳可行的污染防治和控制技術之措施。

第十七條

本公司宜採用國內外通用之標準或指引，執行企業溫室氣體盤查並予以揭露，其範疇宜包括：

- 一、 直接溫室氣體排放：溫室氣體排放源為公司所擁有或控制。
- 二、 間接溫室氣體排放：外購電力、熱或蒸汽等能源利用所產生者。

本公司宜注意氣候變遷對營運活動之影響，並依營運狀況與溫室氣體盤查結果，制定公司節能減碳及溫室氣體減量策略，及將碳權之取得納入公司減碳策略規劃中，且據以推動，以降低公司營運活動對氣候變遷之衝擊。

第四章 維護社會公益

第十八條

本公司應遵守相關法規，及遵循國際人權公約，如性別平等、工作權及禁止歧視等權利。

本公司為履行其保障人權之責任，應制定相關之管理政策與程序，其包括：

- 一、 提出企業之人權政策或聲明。
- 二、 評估公司營運活動及內部管理對人權之影響，並訂定相應之處理程序。
- 三、 定期檢討企業人權政策或聲明之實效。
- 四、 涉及人權侵害時，應揭露對所涉利害關係人之處理程序。

本公司應遵循國際公認之勞動人權，如結社自由、集體協商權、關懷弱勢族群、禁用

童工、消除各種形式之強迫勞動、消除僱傭與就業歧視等，並確認其人力資源運用政策無性別、種族、社經階級、年齡、婚姻與家庭狀況等差別待遇，以落實就業、雇用條件、薪酬、福利、訓練、考評與升遷機會之平等及公允。

對於危害勞工權益之情事，本公司應提供有效及適當之申訴機制，確保申訴過程之平等、透明。申訴管道應簡明、便捷與暢通，且對員工之申訴應予以妥適之回應。

第十九條

本公司應提供員工資訊，使其了解依營運所在地國家之勞動法律及其所享有之權利。

第二十條

本公司宜提供員工安全與健康之工作環境，包括提供必要之健康與急救設施，並致力於降低對員工安全與健康之危害因子，以預防職業上災害。

本公司宜對員工定期實施安全與健康教育訓練。

第二十一條

本公司宜為員工之職涯發展創造良好環境，並建立有效之職涯能力發展培訓計畫。

本公司應將企業經營績效或成果，適當反映在員工薪酬政策中，以確保人力資源之招募、留任和鼓勵，達成永續經營之目標。

第二十二條

本公司應建立員工定期溝通對話之管道，讓員工對於公司之經營管理活動和決策，有獲得資訊及表達意見之權利。

本公司應尊重員工代表針對工作條件行使協商之權力，並提供員工必要之資訊與硬體設施，以促進雇主與員工及員工代表間之協商與合作。

本公司應以合理方式通知對員工可能造成重大影響之營運變動。

第二十二條之一

本公司對其產品或服務所面對之客戶或消費者，宜以公平合理之方式對待，其方式包括訂約公平誠信、注意與忠實義務、廣告招攬真實、商品或服務適合度、告知與揭露、酬金與業績衡平、申訴保障、業務人員專業性等原則，並訂定相關執行策略及具體措施。

第二十三條

本公司應對產品與服務負責並重視行銷倫理。其研發、採購、生產、作業及服務流程，應確保產品及服務資訊之透明性及安全性，制定且公開其消費者權益政策，並落實於營運活動，以防止產品或服務損害消費者權益、健康與安全。

第二十四條

本公司應依政府法規與產業之相關規範，確保產品與服務品質。

本公司對產品與服務之行銷及標示，應遵循相關法規與國際準則，不得有欺騙、誤導、詐欺或任何其他破壞消費者信任、損害消費者權益之行為。

第二十五條

本公司宜評估並管理可能造成營運中斷之各種風險，降低其對於消費者與社會造成之衝擊。

本公司宜對其產品與服務提供透明且有效之消費者申訴程序，公平、即時處理消費者之申訴，並應遵守個人資料保護法等相關法規，確實尊重消費者之隱私權，保護消費者提供之個人資料。

第二十六條

本公司宜評估採購行為對供應來源社區之環境與社會之影響，並與其供應商合作，共同致力落實企業社會責任。

本公司於商業往來之前，宜評估其供應商是否有影響環境與社會之紀錄，避免與企業之社會責任政策牴觸者進行交易。

本公司與其主要供應商簽訂契約時，其內容宜包含遵守雙方之企業社會責任政策，及供應商如涉及違反政策，且對供應來源社區之環境與社會造成顯著影響時，得隨時終止或解除契約之條款。

第二十七條

本公司應評估公司經營對社區之影響，並適當聘用公司營運所在地之人力，以增進社區認同。

本公司宜經由股權投資、商業活動、捐贈、企業志工服務或其他公益專業服務等，將資源投入透過商業模式解決社會或環境問題之組織，或參與社區發展及社區教育之公民組織、慈善公益團體及政府機構之相關活動，以促進社區發展。

第五章 加強企業社會責任資訊揭露

第二十八條

本公司應依相關法規及上市上櫃公司治理實務守則辦理資訊公開，並應充分揭露具攸關性及可靠性之企業社會責任相關資訊，以提升資訊透明度。

本公司揭露企業社會責任之相關資訊如下：

- 一、經董事會決議通過之企業社會責任之政策、制度或相關管理方針及具體推動計畫。
- 二、落實公司治理、發展永續環境及維護社會公益等因素對公司營運與財務狀況所產生之風險與影響。
- 三、公司為企業社會責任所擬定之履行目標、措施及實施績效。
- 四、主要利害關係人及其關注之議題。

- 五、 主要供應商對環境與社會重大議題之管理與績效資訊之揭露。
- 六、 其他企業社會責任相關資訊。

第二十九條

本公司編製企業社會責任報告書應採用國際上廣泛認可之準則或指引，以揭露推動企業社會責任情形，並宜取得第三方確信或保證，以提高資訊可靠性。其內容宜包括：

- 一、 實施企業社會責任政策、制度或相關管理方針及具體推動計畫。
- 二、 主要利害關係人及其關注之議題。
- 三、 公司於落實公司治理、發展永續環境、維護社會公益及促進經濟發展之執行績效與檢討。
- 四、 未來之改進方向與目標。

第六章 附則

第三十條

本公司應隨時注意國內外企業社會責任相關準則之發展及企業環境之變遷，據以檢討並改進公司所建置之企業社會責任制度，以提升履行企業社會責任成效。

第三十一條

本守則於 2017 年 4 月 28 日經董事會通過訂定。

Annex V. Comparison Table for the Amendments to The Procedures for Asset Acquisition.

條次	修正後條文	修正前條文	修正理由
五、	取得或處分不動產及設備： 1. 依「501 設備採購作業程序」、「505 設備處置作業程序」、「531 船舶增添作業」、「533 船舶處置作業」辦理。 2. 取得估價報告： 本公司取得或處分不動產或設備，除與政府機關交易、自地委建、租地委建，或取得、處分供營業使用之設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前取得專業估價者出具之估價報告，並符合下列規定 (1) 同現行條文。 (2) 同現行條文。 (3) 同現行條文。 (4) 同現行條文。 3. 同現行條文。	取得或處分不動產及其他固定資產： 1. 依「501 設備採購作業程序」、「505 設備處置作業程序」、「531 船舶增添作業」、「533 船舶處置作業」辦理。 2. 取得估價報告： 本公司取得或處分不動產或設備，除與政府機構交易、自地委建、租地委建，或取得、處分供營業使用之設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前取得專業估價者出具之估價報告，並符合下列規定 (1) 因特殊原因須以限定價格…(以下略)。 (2) 交易金額達…(以下略)。 (3) 專業估價者之估價結果…(以下略)。 (4) 專業估價者出具報告日期…(以下略)。 3. 交易金額之計算，…(以下略)。	以符合「公開發行公司取得或處分資產處理準則」。
六、	取得或處分會員證及無形資產： 甲、本公司取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與政府機關交易外，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十	取得或處分會員證及無形資產： 本公司取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與政府機構交易外，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十	以符合「公開發行公司取得或處分資產處理準則」。

條次	修正後條文	修正前條文	修正理由
	號規定辦理。 乙、交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。	交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。	
八、	關係人交易： 1. 與關係人取得或處分資產，除應依本程序第四條至第七條及本條規定辦理相關決議程序及評估交易條件合理性等事項外，交易金額達公司總資產百分之十以上者，亦應依第四條至第七條規定取得專業估價者出具之估價報告或會計師意見。 交易金額之計算，應依第四條第四項規定辦理。 判斷交易對象是否為關係人時，除注意其法律形式外，並應考慮實質關係。 2. 本公司向關係人取得或處分不動產，或與關係人取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者，除買賣公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金外，應將下列資料，提交董事會通過及審計委員會同意後，始得簽訂	關係人交易： 1. 與關係人取得或處分資產，除應依本程序第四條至第七條及本條規定辦理相關決議程序及評估交易條件合理性等事項外，交易金額達公司總資產百分之十以上者，亦應依第四條至第七條規定取得專業估價者出具之估價報告或會計師意見。 交易金額之計算，應依第四條第四項規定辦理。 判斷交易對象是否為關係人時，除注意其法律形式外，並應考慮實質關係。 2. 本公司向關係人取得或處分不動產，或與關係人取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者，除買賣公債、附買回、賣回條件之債券、申購或贖回國內貨幣市場基金外，應將下列資料，提交董事會通過及審計委員會同意後，始得簽訂交易契約及支付款項： (1)～(7)略。 3. 評估交易成本之合理性…(以下	以符合「公開發行公司取得或處分資產處理準則」。

條次	修正後條文	修正前條文	修正理由
	交易契約及支付款項： (1)~(7)同現行條文。 3. 同現行條文。 4. 同現行條文。 5. 同現行條文。	略)。 4. 評估結果均較交易價格為低時…(以下略)。 5. 向關係人取得不動產…(以下略)。	
十、	企業合併、分割、收購及股份受讓： 1. 本公司辦理合併、分割、收購或股份受讓，應於召開董事會決議前，委請會計師、律師或證券承銷商就換股比例、收購價格或配發股東之現金或其他財產之合理性表示意見，提報董事會討論通過。 <u>但公開發行公司合併其直接或間接持有百分之百已發行股份或資本總額之子公司，或其直接或間接持有百分之百已發行股份或資本總額之子公司間之合併，得免取得前開專家出具之合理性意見。</u> 2. 本公司參與合併、分割或收購應將合併、分割或收購重要約定內容及相關事項，於股東會開會前製作致股東之公開文件，併同前款之專家意見及股東會之開會通知一併交付股東，以作為是否同意該合併、分割或收購案之參考。但依其他法律規定得免召開股東會決議合併、分割或收購事項者，不在此限。 3. 同現行條文。 4. 同現行條文。	企業合併、分割、收購及股份受讓： 1. 本公司辦理合併、分割、收購或股份受讓，應於召開董事會決議前，委請會計師、律師或證券承銷商就換股比例、收購價格或配發股東之現金或其他財產之合理性表示意見，提報董事會討論通過。 2. 本公司參與合併、分割或收購應將合併、分割或收購重要約定內容及相關事項，於股東會開會前製作致股東之公開文件，併同前款之專家意見及股東會之開會通知一併交付股東，以作為是否同意該合併、分割或收購案之參考。但依其他法律規定得免召開股東會決議合併、分割或收購事項者，不在此限。 3. 參與合併、分割或收購之公司…(以下略)。 4. 其他應行注意事項…(以下略)。	以符合「公開發行公司取得或處分資產處理準則」。
十一、	公告申報程序： 1. 公司取得或處分資產，有下列	公告申報程序： 1. 公司取得或處分資產，有下列情	以符合「公開發

條次	修正後條文	修正前條文	修正理由
	情形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報： (1) 向關係人取得或處分不動產，或與關係人為取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金，不在此限。 (2) 進行合併、分割、收購或股份受讓。 (3) 從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。 (4) 取得或處分之資產種類屬供營業使用之設備，且其交易對象非為關係人，交易金額並達下列規定之一： A. 實收資本額未達新臺幣一百億元之公開發行公司，交易金額達新臺幣五億元以上。 B. 實收資本額達新臺幣一百億元以上之公開發行公司，交易金額達新臺幣十億元以上。 (5) 以自地委建、租地委建、合建分屋、合建分成、合建分售方式取得不動產，公司預計投入之交易金額未達新臺幣五億元以上。 (6) 除前五款以外之資產交易、金融機構處分債權或從事	形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報： (1) 向關係人取得或處分不動產，或與關係人為取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣公債、附買回、賣回條件之債券、申購或贖回國內貨幣市場基金，不在此限。 (2) 進行合併、分割、收購或股份受讓。 (3) 從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。 (4) 除前三款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上者。但下列情形不在此限： A. 買賣公債。 B. 以投資為專業，於海內外證券交易所或證券商營業處所所為之有價證券買賣，或證券商於初級市場認購及依規定認購之有價證券。 C. 買賣附買回、賣回條件之債券、申購或贖回國內貨幣市場基金。 D. 取得或處分之資產種類屬供營業使用之機器設備且其交易對象非為關係人，交易金額未達新臺幣五億元以上。 E. 以自地委建、租地委建、合建	行公司取得或處分資產處理準則」。

條次	修正後條文	修正前條文	修正理由
	大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上。但下列情形不在此限： A. 買賣公債。 B. 以投資為專業，於海內外證券交易所或證券商營業處所所為之有價證券買賣，或於國內初級市場認購募集發行之普通公司債及未涉及股權之一般金融債券，或證券商因承銷業務需要、擔任興櫃公司輔導推薦證券商依財團法人中華民國證券櫃檯買賣中心規定認購之有價證券。 C. 買賣附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金。 (7) 前六款之交易金額依下列方式計算之： A. 每筆交易金額。 B. 一年內累積與同一相對人取得或處分同一性質標的交易之金額。 C. 一年內累積取得或處分(取得、處分分別累積)同一開發計畫不動產之金額。 D. 一年內累積取得或處分(取得、處分分別累積)同一有價證券之金額。 2. 本公司應將相關資訊於金管會指定網站辦理公告申報。 3. 本公司應按月將本公司及其非屬國內公開發行公司之子公司截至上月底止從事衍生	分屋、合建分成、合建分售方式取得不動產，公司預計投入之交易金額未達新臺幣五億元以上。 (5) 前款交易金額依下列方式計算如下，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依規定公告部分免再計入： A. 每筆交易金額。 B. 一年內累積與同一相對人取得或處分同一性質標的交易之金額。 C. 一年內累積取得或處分(取得、處分分別累積)同一開發計畫不動產之金額。 D. 一年內累積取得或處分(取得、處分分別累積)同一有價證券之金額。 2. 本公司應將相關資訊於金管會指定網站辦理公告申報。 3. 本公司應按月將本公司及其非屬國內公開發行公司之子公司截至上月底止從事衍生性商品交易之情形依規定格式，於每月十日前輸入金管會指定之資訊申報網站。 4. 本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應將全部項目重行公告申報。 5. 本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。 6. 公司依規定公告申報交易後，有	

條次	修正後條文	修正前條文	修正理由
	性商品交易之情形依規定格式，於每月十日前輸入金管會指定之資訊申報網站。 4. 本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應於知悉之即日起算二日內將全部項目重行公告申報。 5. 本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。 6. 公司依規定公告申報交易後，有下列情形之一者，應於事實發生之即日起算二日內將相關資訊於本會指定網站辦理公告申報： (1) 原交易簽訂之相關契約有變更、終止或解除情事。 (2) 合併、分割、收購或股份受讓未依契約預定日程完成。 (3) 原公告申報內容有變更。	下列情形之一者，應於事實發生之即日起算二日內將相關資訊於本會指定網站辦理公告申報： (1) 原交易簽訂之相關契約有變更、終止或解除情事。 (2) 合併、分割、收購或股份受讓未依契約預定日程完成。 (3) 原公告申報內容有變更。	
十六、	1. 本辦法訂定於2009年1月12日。 2. 第一次修訂於2009年9月18日。 3. 第二次修訂於2010年6月28日。 4. 第三次修訂於2012年6月29日。 5. 第四次修訂於2013年3月22日。 6. 第五次修訂於2014年6月27日。 7. 第六次修訂於2015年5月29日。 8. 第七次修訂於2017年6月23日。	1. 本辦法訂定於2009年1月12日。 2. 第一次修訂於2009年9月18日。 3. 第二次修訂於2010年6月28日。 4. 第三次修訂於2012年6月29日。 5. 第四次修訂於2013年3月22日。 6. 第五次修訂於2014年6月27日。 7. 第六次修訂於2015年5月29日。	新增修訂日期。

Annex VI. 取得或處分資產處理程序

慧洋海運集團取得或處分資產處理程序

2015 年 5 月 29 日

股東常會修訂通過

二、本處理程序依中華民國「公開發行公司取得或處分資產處理準則」規定訂定之。

三、資產範圍：

1. 股票、公債、公司債、金融債券、表彰基金之有價證券、存託憑證、認購（售）權證、受益證券及資產基礎證券等投資。
2. 不動產(含土地、房屋及建築、投資性不動產、土地使用權)及設備。
3. 會員證。
4. 專利權、著作權、商標權、特許權等無形資產。
5. 金融機構之債權。
6. 衍生性商品。
7. 依法律合併、分割、收購或股份受讓而取得或處分之資產。
8. 其他重要資產。

四、本處理程序用詞定義依「公開發行公司取得或處分資產處理準則」規定辦理。

五、取得或處分有價證券：

1. 依「601 投資評估作業」、「602 投資之取得或處分作業」辦理。
2. 本公司取得或處分有價證券，應於事實發生日前取具標的公司最近期經會計師查核簽證或核閱之財務報表作為評估交易價格之參考。
3. 取得專家意見：
交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師若需採用專家報告者，應依財團法人中華民國會計研究發展基金會(以下簡稱會計研究發展基金會)所發布之審計準則公報第二十號規定辦理。但該有價證券具活絡市場之公開報價或金融監督管理委員會(以下簡稱金管會)另有規定者，不在此限。
4. 交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。

六、取得或處分不動產及設備：

1. 依「501 設備採購作業程序」、「505 設備處置作業程序」、「531 船舶增添作業」、「533 船舶處置作業」辦理。
2. 取得估價報告：
本公司取得或處分不動產或設備，除與政府機構交易、自地委建、租地委建，或取得、處分供營業使用之設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前取得專業估價者出具之估價報告，並符合下列規定
(5) 因特殊原因須以限定價格、特定價格或特殊價格作為交易價格之參考依據時，

該項交易應先提經董事會決議通過，未來交易條件變更者，亦應比照上開程序辦理。

- (6) 交易金額達新臺幣十億元以上者，應請二家以上之專業估價者估價。
- (7) 專業估價者之估價結果有下列情形之一，除取得資產之估價結果均高於交易金額，或處分資產之估價結果均低於交易金額外，應洽請會計師依會計研究發展基金會所發布之審計準則公報第二十號規定辦理，並對差異原因及交易價格之允當性表示具體意見：
 - A. 估價結果與交易金額差距達交易金額之百分之二十以上者。
 - B. 二家以上專業估價者之估價結果差距達交易金額百分之十以上者。
- (8) 專業估價者出具報告日期與契約成立日期不得逾三個月。但如其適用同一期公告現值且未逾六個月者，得由原專業估價者出具意見書。
- 3. 交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。

七、取得或處分會員證及無形資產：

- 1. 本公司取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與政府機構交易外，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。
- 2. 交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。

八、本公司經法院拍賣程序取得或處分資產者，得以法院所出具之證明文件替代估價報告或會計師意見。

九、關係人交易：

- 1. 與關係人取得或處分資產，除應依本程序第四條至第七條及本條規定辦理相關決議程序及評估交易條件合理性等事項外，交易金額達公司總資產百分之十以上者，亦應依第四條至第七條規定取得專業估價者出具之估價報告或會計師意見。
交易金額之計算，應依第四條第四項規定辦理。
判斷交易對象是否為關係人時，除注意其法律形式外，並應考慮實質關係。
- 2. 本公司向關係人取得或處分不動產，或與關係人取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者，除買賣公債、附買回、賣回條件之債券、申購或贖回國內貨幣市場基金外，應將下列資料，提交董事會通過及審計委員會同意後，始得簽訂交易契約及支付款項：
 - (1) 取得或處分資產之目的、必要性及預計效益。
 - (2) 選定關係人為交易對象之原因。
 - (3) 向關係人取得不動產，評估預定交易條件合理性之相關資料。
 - (4) 關係人原取得日期及價格、交易對象及其與公司和關係人之關係等事項。

(5) 預計訂約月份開始之未來一年各月份現金收支預測表，並評估交易之必要性及資金運用之合理性。

(6) 依前條規定取得之專業估價者出具之估價報告，或會計師意見。

(7) 本次交易之限制條件及其他重要約定事項。

交易金額之計算，應依第十一條第一項第六款規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定提交董事會通過及審計委員會同意部分免再計入。

本集團之各公司間，取得或處分供營業使用之機器設備，董事會得授權董事長在一定額度內先行決行，事後再提報最近期之董事會追認。

依前項規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見或保留意見，應於董事會議事錄載明。

3. 評估交易成本之合理性：

向關係人取得不動產，應按下列方法評估交易成本之合理性，並應洽請會計師複核及表示具體意見：

(1) 按關係人交易價格加計必要資金利息及買方依法應負擔之成本。所稱必要資金利息成本，以公司購入資產年度所借款項之加權平均利率為準設算之，惟其不得高於財政部公布之非金融業最高借款利率。

(2) 關係人如曾以該標的物向金融機構設定抵押借款者，金融機構對該標的物之貸放評估總值，惟金融機構對該標的物之實際貸放累計值應達貸放評估總值之七成以上及貸放期間已逾一年以上。但金融機構與交易之一方互為關係人者，不適用之。

合併購買同一標的之土地及房屋者，得就土地及房屋分別按前項所列任一方法評估交易成本。

有下列情形之一者，應依本條第二項規定辦理，不適用本項前二款規定：

(1) 關係人係因繼承或贈與而取得不動產。

(2) 關係人訂約取得不動產時間距本交易訂約日已逾五年。

(3) 與關係人簽訂合建契約，或自地委建、租地委建等委請關係人興建不動產而取得不動產。

4. 評估結果均較交易價格為低時：

本公司依前項第一款及第二款規定評估結果均較交易價格為低時，應依本條第五項規定辦理。但如因下列情形，並提出客觀證據及取具不動產專業估價者與會計師之具體合理性意見者，不在此限：

(1) 關係人係取得素地或租地再行興建者，得舉證符合下列條件之一者：

A. 素地依前項規定之方法評估，房屋則按關係人之營建成本加計合理營建利潤，其合計數逾實際交易價格者。所稱合理營建利潤，應以最近三年度關係人營建部門之平均營業毛利率或財政部公布之最近期建設業毛利率孰低者為準。

B. 同一標的房地之其他樓層或鄰近地區一年內之其他非關係人成交案例，其面

積相近，且交易條件經按不動產買賣慣例應有之合理樓層或地區價差評估後條件相當者。

C. 同一標的房地之其他樓層一年內之其他非關係人租賃案例，經按不動產租賃慣例應有之合理樓層價差推估其交易條件相當者。

(2) 舉證向關係人購入之不動產，其交易條件與鄰近地區一年內之其他非關係人成交案例相當且面積相近者。所稱鄰近地區成交案例，以同一或相鄰街廓且距離交易標的物方圓未逾五百公尺或其公告現值相近者為原則；所稱面積相近，則以其他非關係人成交案例之面積不低於交易標的物面積百分之五十為原則；所稱一年內係以本次取得不動產事實發生之日為基準，往前追溯推算一年。

5. 向關係人取得不動產，如經按本條第三、四項規定評估結果均較交易價格為低者，應辦理下列事項：

(1) 應就不動產交易價格與評估成本間之差額，依中華民國證券交易法（以下簡稱證交法）第四十一條第一項規定提列特別盈餘公積，不得予以分派或轉增資配股。對公司之投資採權益法評價之投資者如為公開發行公司，亦應就該提列數額按持股比例依證交法第四十一條第一項規定提列特別盈餘公積。

(2) 審計委員會應依中華民國公司法第二百十八條規定辦理。

(3) 應將前二款處理情形提報股東會，並將交易詳細內容揭露於年報及公開說明書。本公司經依前項規定提列特別盈餘公積者，應俟高價購入之資產已認列跌價損失或處分或為適當補償或恢復原狀，或有其他證據確定無不合理者，並經金管會同意後，始得動用該特別盈餘公積。

本公司向關係人取得不動產，若有其他證據顯示交易有不合營業常規之情事者，亦應依前二款規定辦理。

十、針對衍生性商品之風險控管：

1. 交易原則與方針

(1) 交易種類：本公司得從事衍生性商品為利率、匯率、貨幣相關之遠期契約、選擇權、交換，暨上述商品組合而成之複合式契約等。

(2) 經營或避險策略：以交易為目的者，以靈活、機動為原則；非以交易為目的者，以穩健、保守為原則。

(3) 權責劃分

A. 交易契約及相關文件簽訂：由董事會通過授權辦理。

B. 財務單位：負責交易之執行。

C. 會計單位：負責交易之確認、交割及入帳。

(4) 績效評估要領及得從事衍生性商品交易之契約總額：以年終淨損益為績效評估基準。交易額度由董事會通過授權辦理。

(5) 損失上限：

A. 以交易為目的之衍生性商品操作，個別契約損失上限為契約金額之 25%；全部契約損失上限為年度計劃稅前淨利 10%。

B. 非以交易為目的者，個別契約損失上限為契約金額之 25%；全部契約損失上

限為年度計劃稅前淨利 10%。

2. 風險管理措施

- (1) 信用風險：交易對手需為信用評等良好之金融機構。
- (2) 市場風險：應定期進行市價評估，注意市場價格波動對所持部位可能之損益影響。
- (3) 流動性風險：交易人員應遵守授權額度之規定，並注意公司之現金流量，以確保交割時有足夠之現金支付。
- (4) 作業流程內部控制：
 - A. 交易人員及確認、交割等作業人員不得互相兼任。
 - B. 交易人員應將交易憑證或合約交付登錄人員記錄。
 - C. 登錄人員應定期與往來之金融機構對帳或函證。
 - D. 登錄人員應隨時核對交易總額是否已超過本處理程序所規定之限額。
 - E. 衍生性商品交易所持有之部位至少每週應評估一次，惟若為業務需要辦理之避險性交易至少每月應評估二次，其評估報告應呈送管理部。
 - F. 財務單位應建立備查簿，就從事衍生性商品交易之種類、金額、董事會通過日期及依處理準則第十九條第四款、第二十條第一項第二款及第二項第一款應審慎評估之事項，詳予登載於備查簿備查。
 - G. 管理部得定期或不定期要求重新進行風險評估。

3. 內部稽核制度

本公司內部稽核人員應定期瞭解衍生性商品交易內部控制之允當性，並按月稽核交易部門對從事衍生性商品交易處理程序之遵循情形，作成稽核報告，如發現重大違規情事，應以書面通知審計委員會。

4. 定期評估方式及異常情形處理

- (1) 管理部應隨時注意衍生性商品交易風險之監督與控制。
- (2) 管理部定期評估從事衍生性商品交易之績效是否符合既定之經營策略及承擔之風險是否在公司容許承受之範圍。
- (3) 管理部應定期評估目前使用之風險管理措施是否適當並確實依本準則及本處理程序辦理，並監督交易及損益情形，發現有異常情事時，應採取必要之因應措施，並立即向審計委員會及董事會報告。

十一、 企業合併、分割、收購及股份受讓：

1. 本公司辦理合併、分割、收購或股份受讓，應於召開董事會決議前，委請會計師、律師或證券承銷商就換股比例、收購價格或配發股東之現金或其他財產之合理性表示意見，提報董事會討論通過。
2. 本公司參與合併、分割或收購應將合併、分割或收購重要約定內容及相關事項，於股東會開會前製作致股東之公開文件，併同前款之專家意見及股東會之開會通知一併交付股東，以作為是否同意該合併、分割或收購案之參考。但依其他法律規定得免召開股東會決議合併、分割或收購事項者，不在此限。
3. 參與合併、分割或收購之公司，任一方之股東會，因出席人數、表決權不足或法律

限制，致無法召開、決議，或議案遭股東會否決，參與合併、分割或收購之公司應立即對外公開說明發生原因、後續處理作業及預計召開股東會之日期。

4. 其他應行注意事項

(1) 董事會及股東會日期：參與合併、分割或收購之公司除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會及股東會，決議合併、分割或收購相關事項。參與股份受讓之公司除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會。

(2) 本公司若參與合併、分割、收購或股份受讓，應將下列資料作成完整書面紀錄，並保存五年，備供查核。

A. 人員基本資料：包括消息公開前所有參與合併、分割、收購或股份受讓計畫或計畫執行之人，其職稱、姓名、身分證字號（如為外國人則為護照號碼）。

B. 重要事項日期：包括簽訂意向書或備忘錄、委託財務或法律顧問、簽訂契約及董事會等日期。

C. 重要書件及議事錄：包括合併、分割、收購或股份受讓計畫，意向書或備忘錄、重要契約及董事會議事錄等書件。

本公司應於董事會決議通過之即日起算二日內，將前述「人員基本資料」及「重要事項日期」，依規定格式以網際網路資訊系統申報金管會備查。

參與合併、分割、收購或股份受讓之公司有非屬上市或股票在證券商營業處所買賣之公司者，本公司應與其簽訂協議，並依前述規定辦理。

(3) 書面保密承諾：

所有參與或知悉公司合併、分割、收購或股份受讓計畫之人，應出具書面保密承諾，在訊息公開前，不得將計畫之內容對外洩露，亦不得自行或利用他人名義買賣與合併、分割、收購或股份受讓案相關之所有公司之股票及其他具有股權性質之有價證券。

(4) 換股比例或收購價格之訂定與變更原則：

本公司參與合併、分割、收購或股份受讓，換股比例或收購價格除下列情形外，不得任意變更，且應於合併、分割、收購或股份受讓契約中訂定得變更之情況：

A. 辦理現金增資、發行轉換公司債、無償配股、發行附認股權公司債、附認股權特別股、認股權憑證及其他具有股權性質之有價證券。

B. 處分公司重大資產等影響公司財務業務之行為。

C. 發生重大災害、技術重大變革等影響公司股東權益或證券價格情事。

D. 參與合併、分割、收購或股份受讓之公司任一方依法買回庫藏股之調整。

E. 參與合併、分割、收購或股份受讓之主體或家數發生增減變動。

F. 已於契約中訂定得變更之其他條件，並已對外公開揭露者。

(5) 契約應載內容：

本公司參與合併、分割、收購或股份受讓，契約應載明參與合併、分割、收購或股份受讓公司之權利義務，並應載明下列事項：

A. 違約之處理。

- B. 因合併而消滅或被分割之公司前已發行具有股權性質有價證券或已買回之庫藏股之處理原則。
- C. 參與公司於計算換股比例基準日後，得依法買回庫藏股之數量及其處理原則。
- D. 參與主體或家數發生增減變動之處理方式。
- E. 預計計畫執行進度、預計完成日程。
- F. 計畫逾期未完成時，依法令應召開股東會之預定召開日期等相關處理程序。
- (6) 參與合併、分割、收購或股份受讓之公司任何一方於資訊對外公開後，如擬再與其他公司進行合併、分割、收購或股份受讓，除參與家數減少，且股東會已決議並授權董事會得變更權限者，參與公司得免召開股東會重行決議外，原合併、分割、收購或股份受讓案中，已進行完成之程序或法律行為，應由所有參與公司重行為之。
- (7) 參與合併、分割、收購或股份受讓之公司有非屬公開發行公司者，本公司應與其簽訂協議，並依本項(1)、(3)及(6)規定辦理。

十二、 公告申報程序：

1. 公司取得或處分資產，有下列情形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報：
 - (1) 向關係人取得或處分不動產，或與關係人為取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣公債、附買回、賣回條件之債券、申購或贖回國內貨幣市場基金，不在此限。
 - (2) 進行合併、分割、收購或股份受讓。
 - (3) 從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。
 - (4) 除前三款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上者。但下列情形不在此限：
 - A. 買賣公債。
 - B. 以投資為專業，於海內外證券交易所或證券商營業處所所為之有價證券買賣，或證券商於初級市場認購及依規定認購之有價證券。
 - C. 買賣附買回、賣回條件之債券、申購或贖回國內貨幣市場基金。
 - D. 取得或處分之資產種類屬供營業使用之機器設備且其交易對象非為關係人，交易金額未達新臺幣五億元以上。
 - E. 以自地委建、租地委建、合建分屋、合建分成、合建分售方式取得不動產，公司預計投入之交易金額未達新臺幣五億元以上。
 - (5) 前款交易金額依下列方式計算如下，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依規定公告部分免再計入：
 - A. 每筆交易金額。
 - B. 一年內累積與同一相對人取得或處分同一性質標的交易之金額。

C. 一年內累積取得或處分(取得、處分分別累積)同一開發計畫不動產之金額。

D. 一年內累積取得或處分(取得、處分分別累積)同一有價證券之金額。

2. 本公司應將相關資訊於金管會指定網站辦理公告申報。
3. 本公司應按月將本公司及其非屬國內公開發行公司之子公司截至上月底止從事衍生性商品交易之情形依規定格式，於每月十日前輸入金管會指定之資訊申報網站。
4. 本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應將全部項目重行公告申報。
5. 本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。
6. 公司依規定公告申報交易後，有下列情形之一者，應於事實發生之日起算二日內將相關資訊於本會指定網站辦理公告申報：

(1) 原交易簽訂之相關契約有變更、終止或解除情事。

(2) 合併、分割、收購或股份受讓未依契約預定日程完成。

(3) 原公告申報內容有變更。

十三、 公司及各子公司取得非供營業使用之不動產或有價證券之總額，不得超過最近期財務報表淨值 50%，且投資個別有價證券不得超過本公司淨值之 30%。

十四、 對子公司取得或處分資產之控管程序：
子公司取得或處分資產程序依本程序辦理。

十五、 相關人員違反本準則或公司取得或處分資產處理程序規定之處罰：
本公司相關人員若違反本處理程序時，依本公司員工工作規則辦理。

十六、 本作業程序經審計委員會、董事會通過並提報股東會同意後實施。修正時亦同。

- 十七、
1. 本辦法訂定於 2009 年 1 月 12 日。
 2. 第一次修訂於 2009 年 9 月 18 日。
 3. 第二次修訂於 2010 年 6 月 28 日。
 4. 第三次修訂於 2012 年 6 月 29 日。
 5. 第四次修訂於 2013 年 3 月 22 日。
 6. 第五次修訂於 2014 年 6 月 27 日。
 7. 第六次修訂於 2015 年 5 月 29 日。

Annex VII. Rules of General Meeting

慧洋海運股份有限公司股東會議事規則

2015 年 5 月 29 日

股東常會修訂通過

第 一 條

為建立本公司良好股東會治理制度、健全監督功能及強化管理機能，特訂定本規則。

第 二 條

本公司股東會之議事規則，除法令或章程另有規定者外，應依本規則之規定。

第 三 條（股東會召集及開會通知）

本公司股東會除法令另有規定外，由董事會召集之。

本公司應於股東常會開會三十日前或股東臨時會開會十五日前，將股東會開會通知書、委託書用紙、有關承認案、討論案、選任或解任董事事項等各項議案之案由及說明資料製作成電子檔案傳送至公開資訊觀測站。並於股東常會開會二十一日前或股東臨時會開會十五日前，將股東會議事手冊及會議補充資料，製作電子檔案傳送至公開資訊觀測站。股東會開會十五日前，備妥當次股東會議事手冊及會議補充資料，供股東隨時索閱，並陳列於本公司及本公司所委任之專業股務代理機構，且應於股東會現場發放。

通知及公告應載明召集事由；其通知經相對人同意者，得以電子方式為之。

選任或解任董事、監察人、變更章程、公司解散、合併、分割或公司法第一百八十五第一項各款、證券交易法第二十六條之一、第四十三條之六、發行人募集與發行有價證券處理準則第五十六條之一及第六十條之二之事項應在召集事由中列舉，不得以臨時動議提出。

持有已發行股份總數百分之一以上股份之股東，得以書面向本公司提出股東常會議案。但以一項為限，提案超過一項者，均不列入議案。

另股東所提議案有公司法第 172 條之 1 第 4 項各款情形之一，董事會得不列為議案。股東所提議案以三百字為限，超過三百字者，不予列入議案；提案股東應親自或委託他人出席股東常會，並參與該項議案討論。

本公司應於股東常會召開前之停止股票過戶日前公告受理股東之提案、受理處所及受理期間；其受理期間不得少於十日。

本公司應於股東會召集通知日前，將處理結果通知提案股東，並將合於本條規定之議案列於開會通知。對於未列入議案之股東提案，董事會應於股東會說明未列入之理由。

第 四 條（委託出席股東會及授權）

股東得於每次股東會，出具本公司印發之委託書，載明授權範圍，委託代理人，出席股東會。

一股東以出具一委託書，並以委託一人為限，應於股東會開會五日前送達本公司，委託書有重複時，以最先送達者為準。但聲明撤銷前委託者，不在此限。

委託書送達本公司後，股東欲親自出席股東會或欲以書面或電子方式行使表決權者，應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。

第五條（召開股東會地點及時間之原則）

股東會召開之地點，應於本公司所在地或便利股東出席且適合股東會召開之地點為之，會議開始時間不得早於上午九時或晚於下午三時，召開之地點及時間，應充分考量獨立董事之意見。

第六條（簽名簿等文件之備置）

本公司應於開會通知書載明受理股東報到時間、報到處地點，及其他應注意事項。

前項受理股東報到時間至少應於會議開始前三十分鐘辦理之；報到處應有明確標示，並派適足適任人員辦理之。

股東本人或股東所委託之代理人(以下稱股東)應憑出席證、出席簽到卡或其他出席證件出席股東會，本公司對股東出席所憑依之證明文件不得任意增列要求提供其他證明文件；屬徵求委託書之徵求人並應攜帶身分證明文件，以備核對。

本公司應設簽名簿供出席股東簽到，或由出席股東繳交簽到卡以代簽到。

本公司應將議事手冊、年報、出席證、發言條、表決票及其他會議資料，交付予出席股東會之股東；有選舉董事、監察人者，應另附選舉票。

法人為股東時，出席股東會之代表人不限於一人。法人受託出席股東會時，僅得指派一人代表出席。

第七條（股東會主席、列席人員）

股東會如由董事會召集者，其主席由董事長擔任之，董事長請假或因故不能行使職權時，由董事長指定董事一人代理之；董事長未指定代理人者，由董事互推一人代理之。

前項主席係由常務董事或董事代理者，以任職六個月以上，並瞭解公司財務業務狀況之常務董事或董事擔任之。主席如為法人董事之代表人者，亦同。

董事會所召集之股東會，董事長宜親自主持，且宜有董事會過半數之董事、至少一席審計委員會成員親自出席，及各類功能性委員會成員至少一人代表出席，並將出席情形記載於股東會議事錄。

股東會如由董事會以外之其他召集權人召集者，主席由該召集權人擔任之，召集權人有二人

以上時，應互推一人擔任之。

本公司得指派所委任之律師、會計師或相關人員列席股東會。

第八條（股東會開會過程錄音或錄影之存證）

本公司應於受理股東報到時起將股東報到過程、會議進行過程、投票計票過程全程連續不間斷錄音及錄影。

前項影音資料應至少保存一年。但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。

第九條（股東會出席股數之計算與開會）

股東會之出席，應以股份為計算基準。出席股數依簽名簿或繳交之簽到卡，加計以書面或電子方式行使表決權之股數計算之。

已屆開會時間，主席應即宣布開會，惟未有代表已發行股份總數過半數之股東出席時，主席得宣布延後開會，其延後次數以二次為限，延後時間合計不得超過一小時。延後二次仍不足有代表已發行股份總數三分之一以上股東出席時，由主席宣布流會。

前項延後二次仍不足額而有代表已發行股份總數三分之一以上股東出席時，得依公司法第一百七十五條第一項規定為假決議，並將假決議通知各股東於一個月內再行召集股東會。

於當次會議未結束前，如出席股東所代表股數達已發行股份總數過半數時，主席得將作成之假決議，依公司法第一百七十四條規定重新提請股東會表決。

第十條（議案討論）

股東會如由董事會召集者，其議程由董事會訂定之，會議應依排定之議程進行，非經股東會決議不得變更之。

股東會如由董事會以外之其他有召集權人召集者，準用前項之規定。

前二項排定之議程於議事（含臨時動議）未終結前，非經決議，主席不得逕行宣布散會；主席違反議事規則，宣布散會者，董事會其他成員應迅速協助出席股東依法定程序，以出席股東表決權過半數之同意推選一人擔任主席，繼續開會。

主席對於議案及股東所提之修正案或臨時動議，應給予充分說明及討論之機會，認為已達可付表決之程度時，得宣布停止討論，提付表決。

第十一條（股東發言）

出席股東發言前，須先填具發言條載明發言要旨、股東戶號（或出席證編號）及戶名，由主席定其發言順序。

出席股東僅提發言條而未發言者，視為未發言。發言內容與發言條記載不符者，以發言內容為準。

同一議案每一股東發言，非經主席之同意不得超過兩次，每次不得超過五分鐘，惟股東發言違反規定或超出議題範圍者，主席得制止其發言。

出席股東發言時，其他股東除經徵得主席及發言股東同意外，不得發言干擾，違反者主席應予制止。

法人股東指派二人以上之代表出席股東會時，同一議案僅得推由一人發言。

出席股東發言後，主席得親自或指定相關人員答覆。

第十二條（表決股數之計算、迴避制度）

股東會之表決，應以股份為計算基準。

股東會之決議，對無表決權股東之股份數，不算入已發行股份之總數。

股東對於會議之事項，有自身利害關係致有害於本公司利益之虞時，不得加入表決，並不得代理他股東行使其表決權。

前項不得行使表決權之股份數，不算入已出席股東之表決權數。

除信託事業或經證券主管機關核准之股務代理機構外，一人同時受二人以上股東委託時，其代理之表決權不得超過已發行股份總數表決權之百分之三，超過時其超過之表決權，不予計算。

第十三條（議案表決、監票及計票方式）

股東每股有一表決權；但受限制或公司法第 179 條第 2 項所列無表決權者，不在此限。

本公司召開股東會時，得採行以書面或電子方式行使其表決權；其以書面或電子方式行使表決權時，其行使方法應載明於股東會召集通知。以書面或電子方式行使表決權之股東，視為親自出席股東會。但就該次股東會之臨時動議及原議案之修正，視為棄權，故本公司宜避免提出臨時動議及原議案之修正。

前項以書面或電子方式行使表決權者，其意思表示應於股東會開會二日前送達公司，意思表示有重複時，以最先送達者為準。但聲明撤銷前意思表示者，不在此限。

股東以書面或電子方式行使表決權後，欲親自出席股東會者，應於股東會開會二日前以與行使表決權相同之方式撤銷前項行使表決權之意思表示；逾期撤銷者，以書面或電子方式行使之表決權為準。

如以書面或電子方式行使表決權並以委託書委託代理人出席股東會者，以委託代理人出席行

使之表決權為準。

議案之表決，除公司法及本公司章程另有規定外，以出席股東表決權過半數之同意通過之。表決時，應逐案由主席或其指定人員宣佈出席股東之表決權總數後，由股東逐案進行投票表決，並於股東會召開後當日，將股東同意、反對及棄權之結果輸入公開資訊觀測站。

同一議案有修正案或替代案時，由主席併同原案定其表決之順序。如其中一案已獲通過時，其他議案即視為否決，勿庸再行表決。

議案表決之監票及計票人員，由主席指定之，但監票人員應具有股東身分。

股東會表決或選舉議案之計票作業應於股東會場內公開處為之，且應於計票完成後，當場宣布表決結果，包含統計之權數，並作成紀錄。

第十四條（選舉事項）

股東會有選舉董事、監察人時，應依本公司所訂相關選任規範辦理，並應當場宣布選舉結果，包含當選董事、監察人之名單與其當選權數。

前項選舉事項之選舉票，應由監票員密封簽字後，妥善保管，並至少保存一年。但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。

第十五條（會議紀錄及簽署事項）

股東會之議決事項，應作成議事錄，由主席簽名或蓋章，並於會後二十日內，將議事錄分發各股東。議事錄之製作及分發，得以電子方式為之。

前項議事錄之分發，得以輸入公開資訊觀測站之公告方式為之。

議事錄應確實依會議之年、月、日、場所、主席姓名、決議方法、議事經過之要領及其結果記載之，在本公司存續期間，應永久保存。

前項決議方法，係經主席徵詢股東意見，股東對議案無異議者，應記載「經主席徵詢全體出席股東無異議通過」；惟股東對議案有異議時，應載明採票決方式及通過表決權數與權數比例。

第十六條（對外公告）

徵求人徵得之股數及受託代理人代理之股數，本公司應於股東會開會當日，依規定格式編造之統計表，於股東會場內為明確之揭示。

股東會決議事項，如有屬法令規定、臺灣證券交易所股份有限公司規定之重大訊息者，本公司應於規定時間內，將內容傳輸至公開資訊觀測站。

第十七條（會場秩序之維護）

辦理股東會之會務人員應佩帶識別證或臂章。

主席得指揮糾察員或保全人員協助維持會場秩序。糾察員或保全人員在場協助維持秩序時，應佩戴臂章或識別證。

會場備有擴音設備者，股東非以本公司配置之設備發言時，主席得制止之。

股東違反議事規則不服從主席糾正，妨礙會議之進行經制止不從者，得由主席指揮糾察員或保全人員請其離開會場。

第十八條（休息、續行集會）

會議進行時，主席得酌定時間宣布休息，發生不可抗拒之情事時，主席得裁定暫時停止會議，並視情況宣布續行開會之時間。

股東會排定之議程於議事（含臨時動議）未終結前，開會之場地屆時未能繼續使用，得由股東會決議另覓場地繼續開會。

股東會得依公司法第一百八十二條之規定，決議在五日内延期或續行集會。

第十九條

本規則經股東會通過後施行，修正時亦同。

第二十條

1. 本程序訂定日期為 2008 年 12 月 31 日。
2. 本程序第一次修訂日期為 2011 年 6 月 17 日。
3. 本程序第二次修訂日期為 2012 年 6 月 29 日。
4. 本程序第三次修訂日期為 2013 年 6 月 21 日。
5. 本程序第四次修訂日期為 2015 年 5 月 29 日。

THE COMPANIES LAW (2007 REVISION)
COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

WISDOM MARINE LINES CO., LIMITED

慧洋海運股份有限公司

(as adopted by a Special Resolution passed on 29 May 2015)

1. The name of the Company is WISDOM MARINE LINES CO., LIMITED
慧洋海運股份有限公司
2. The registered office will be situated at the offices of Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and include, without limitation or restriction, carrying on:
 - (a) shipping activities; and
 - (b) shipping related business.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (2007 Revision).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman

Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NTD8,800,000,000 divided into 880,000,000 shares of a nominal or par value of NTD10.00 each.

THE COMPANIES LAW (2009 REVISION)
COMPANY LIMITED BY SHARES

SIXTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

WISDOM MARINE LINES CO., LIMITED
慧洋海運股份有限公司

(as adopted by a Special Resolution passed on 14 April 2017)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2009 Revision) shall not apply to this Company.
2. (a) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:-
 - (i) **Affiliated Company** with respect to any company, any other company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first company;
 - (ii) **Applicable Listing Rules** the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the GreTai Securities Market or the Taiwan Stock Exchange;

(iii)	Articles	these Articles of Association of the Company in their present form, as amended or substituted from time to time amended or supplemented by Special Resolution;
(iv)	Auditors	the Auditors for the time being of the Company, if any;
(v)	Audit Committee	has the meaning set forth in Article 85.
(vi)	Audit Committee Members	members of the Audit Committee.
(vii)	Chairman	has the meaning given thereto in Article 77;
(viii)	Class or Classes	any class or classes of Shares as may from time to time be issued by the Company;
(ix)	Commission	Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;
(x)	Company	WISDOM MARINE LINES CO., LIMITED 慧洋海運股份有限公司;
(xi)	Consolidated Company	means the new company that results from the consolidation of two or more Constituent Companies;
(xii)	consolidation	means the combination of two or more Constituent Companies into a Consolidated Company and the vesting of the undertaking, property and liabilities of such companies in the Consolidated Company within the meaning of the Law and the Taiwan Laws;
(xiii)	Constituent Company	an existing company that is participating in a Merger with one of more other existing companies within the meaning of the Law and the Taiwan Law;
(xiv)	Directors or Board	The directors of the Company for the time being or, as the case may be, the directors assembled as a board or as a committee thereof;
(xv)	electronic	shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) (as amended) of

		the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;
(xvi)	electronic communication	transmission to any number, address or internet website or other electronic delivery methods as may be decided and approved by not less than two-thirds of the vote of the Board, subject to the Law;
(xvii)	Emerging Market	the emerging market board of GreTai Securities Market in Taiwan;
(xviii)	FSC	Financial Supervisory Commission of Taiwan;
(xix)	GreTai Securities Market or GTSM	the GreTai Securities Market in Taiwan;
(xx)	Indemnified Person	has the meaning given thereto in Article 156;
(xxi)	Independent Director	a Director who is an independent director as defined in the Applicable Listing Rules;
(xxii)	Law	The Companies Law (2009 Revision) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
(xxiii)	Member or Shareholders	a Person who is duly registered as the holder of any Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber as well as persons who are jointly so registered, and “Members” or “Shareholders” means 2 or more of

		them;
(xxiv)	Memorandum of Association	the memorandum of association of the Company, as amended or substituted from time to time;
(xxv)	Merger	a merger and/or a consolidation;
(xxvi)	merger	the merging of two or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law and the Taiwan Laws;
(xxvii)	Month	a calendar month;

(xxviii) MOPS	The Market Observation Post System maintained by TSE & GTSM;
(xxix) Ordinary Resolution	a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting of the Company held in accordance with these Articles and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled.
(xxx) paid up	paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;
(xxxi) Person	any natural Person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
(xxxii) Register	the principal register and any branch register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time, as required to be kept pursuant to the Law;
(xxxiii) Registered Office	the registered office of the Company for the time being as required under the Law;
(xxxiv) Registration Office	such place or places in the Republic of China or elsewhere where the Board from time to time determine to keep a branch register of Shareholders of the Company in respect of that class of share capital and where (except in cases where the Board otherwise agrees) transfers of other documents of title for Shares are to be lodged for registration and are to

		be registered;
(xxxv)	Relevant Period	the period commencing from the date on which any of the securities of the Company first become listed on the GTSM or TSE to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
(xxxvi)	Republic of China ROC or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
(xxxvii)	Seal	the common seal of the Company (if applicable) or any facsimile or official seal (if applicable) for the use outside of the Cayman Islands;
(xxxviii)	Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
(xxxix)	Shares	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
(xl)	Share Premium Account	the share premium account established in accordance with these Articles, the Law and the Taiwan Laws, meaning an account where a sum equal to the aggregate amount of the value of the premiums on Shares which are issued at a premium shall be transferred to;
(xli)	Shareholders' Service Agent	The agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

(xlii) signed bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;

(xliii) Special Resolution means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in Person or, where proxies are allowed, by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of the Company of which notice, specifying (without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;

(xliv) Special Resolution for Merger means a resolution of the Company passed in accordance with the Law, being a resolution:

(a) by majority in number representing seventy-five per cent in value of the Shareholders voting together as one class; and

(b) if the Shares to be issued to each Shareholder in the consolidated or surviving company are to have the same rights and economic value as the Shares held in the Company, a Special Resolution of the

Shareholders voting together as one class,

and in either case a Shareholder shall have the right to vote regardless of whether the Shares that he holds otherwise give him voting rights;

- | | | |
|----------|---------------------------------------|--|
| (xlv) | Special Shares | has the meaning given thereto in Article 4; |
| (xlvi) | Spin-off | an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company; |
| (xlvii) | Supermajority
Resolution Type
A | a resolution passed by Shareholders, as being entitled to do so, vote in Person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding at least a majority of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than two-thirds of all issued Shares of the Company; |
| (xlviii) | Supermajority
Resolution Type
B | a resolution passed by Shareholders, as being entitled to do so, vote in Person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding at least a majority of all issued Shares of the Company; |
| (xlix) | Surviving
Company | means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of the Law and the Taiwan Laws; |

- (l) Taiwan Laws the laws and regulations of Taiwan, including without limitation to the Applicable Listing Rules;
 - (li) Transfer Office the place where the principal register of Shareholders is located for the time being; and
 - (lii) TSE the Taiwan Stock Exchange.
- (b) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (c) In these Articles unless the context otherwise requires:-
- (a) words importing the singular number shall include the plural number and vice-versa;
 - (b) words importing the masculine gender shall include the feminine and neuter genders;
 - (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
 - (d) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (d) Heading used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

3. Subject to these Articles, the Directors may, in respect of all Shares for the time being unissued:
- (a) offer, issue, allot and dispose of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

4. Shares of different classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Special Shares**”) may be created with the approval of a Special Resolution. Special Shares may be issued with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
5. Prior to the issuance of any Special Shares approved pursuant to the preceding Article 4, these Articles shall be amended to set forth the rights and obligations of the Special Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of Special Shares:
 - (a) Total number of Special Shares been authorized to be issued and the numbers of the Special Shares already issued;
 - (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on Special Shares;
 - (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of special shareholders;
 - (e) other matters concerning rights and obligations incidental to Special Shares; and
 - (f) the method by which the Company is authorized or compelled to redeem the Special Shares, or a statement that redemption rights shall not apply.
6. The issue of new ordinary Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.
7. The Company shall not issue any unpaid Shares or partial paid-up Shares. The Company shall not issue Shares in bearer form.
8. Upon each issuance of new Shares, the Directors may reserve not more than fifteen percent of the new Shares for subscription by the employees of the Company who are determined by the Board in its reasonable discretion.

9. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, unless otherwise resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Share under Article 6, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 8 and applicable Taiwan Laws respectively, first offer such remaining new Shares by a public announcement according to the Applicable Listing Rules, and a written notice to each then Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The Company shall state in such written notice that if any Shareholder fails to confirm his subscription within the assigned deadline, his right shall be forfeited. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by then Shareholders may be open for public issuance or for subscription by specific Person or Persons through negotiation. Each Shareholder may subscribe such new Shares himself, or designate one or more Persons to subscribe such Shares.
10. The Shareholders' pre-emptive right prescribed under the preceding Article 9 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
- (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the employees;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
 - (d) in connection with meeting the Company's obligation under Share subscription warrant or Special Shares vested with rights to acquire Shares; or
 - (e) any other exemptions provided under Taiwan Laws.
11. Where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate 10% of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a

percentage higher than the aforementioned 10% is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.

12. The Company may, upon resolution by a majority votes at a meeting of the Board attended by two-thirds or more of the Directors, adopt one or more employee incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and/or any of its Affiliated Companies to subscribe for Shares to the extent as permitted by Taiwan Laws. The shares, options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees.

MODIFICATION OF RIGHTS

13. If at any time the share capital of the Company is divided into different Classes, all or any of the special rights attached to any such Class (unless otherwise provided by the terms of issue of the Shares of that Class) may only be materially adversely varied or abrogated with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by holders of not less than seventy-five percent of the issued Shares of that Class as may be present in person or by proxy at a separate general meeting of the holders of the Shares of such Class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-half in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him.
14. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them, the redemption or purchase of Shares of any Class by the Company.

REGISTERS

15. The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Law.

16. Subject to the provisions of the Law, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its branch register of Shareholders in the Republic of China.

CERTIFICATE

17. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver, the share certificates to the subscribers by book-entry within thirty (30) days from the date such certificates may be issued pursuant to the Law and/or to the Taiwan Laws. The Company shall make a public announcement in accordance with Applicable Listing Rules prior to the delivery of such certificate.

TRANSFER AND TRANSMISSION OF SHARES

18. Subject to the Law and the Taiwan Laws, Shares issued by the Company shall be freely transferable, provided that any Shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not more than two years, or such other period as the Directors may determine in their discretion.
19. The instrument of transfer of any Share shall be in writing in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
20. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one Class of Shares;
 - (c) the Shares concerned are free of any lien in favour of the Company;
 - (d) the instrument of transfer is properly stamped, if required; and

(e) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four.

21. The registration of transfers may be suspended when the Register is closed in accordance with Article 37.
22. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.
23. The Board may, in its absolute discretion at any time and from time to time, remove any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.
24. Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time stipulate, and which agreement it shall, without giving any reason therefore, be entitled in its absolute discretion to give or withhold) no Shares on the principal register shall be removed to any branch register nor shall Shares on any branch register be removed to the principal register or any other branch register and all removals and other documents of title relating to or affecting the title to any share or other securities of the Company shall be lodged for registration, and be registered, in the case of any Shares on a branch register, at the relevant Registration Office, and, in the case of any Shares on the principal register, at the Transfer Office.
25. Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal register all removals of Shares effected on any branch register and shall at all times maintain the principal register and all branch registers in all respects in accordance with the Law.
26. In the case of the death of a Shareholder, the survivor, and the legal personal representative of a deceased where he was a sole or only surviving holder of a Share, shall be the only Persons recognised by the Company as having any title to the Share. In case of a Share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor where he was a sole or only surviving holder of a Share, shall be the only Persons recognised by the Company as having any title to the Share.
27. Any Person becoming entitled to a Share in consequence of the death or bankruptcy or winding-up of a Shareholder shall upon such evidence being produced as may from time to time be properly required by the Board, and subject as hereinafter provided, have the right

either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

28. A Person becoming entitled to a Share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF SHARE CAPITAL

29. The Company may from time to time by Ordinary Resolution:

- (a) (deleted)
- (b) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
- (c) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum of Association; and
- (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

30. (A) The Company may by Special Resolution:

- (a) together with the approval of the Board, issue any Special Shares in accordance with Article 4 and 5;
- (b) change its name;
- (c) change the currency denomination of its share capital and/or increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
- (d) subject to the Law and the Taiwan Laws, reduce its share capital and any capital redemption reserve in any manner authorised by Law and the Taiwan Laws; and
- (e) subject to the Law, be voluntarily wound up.

- (B) The Company may, by a Special Resolution for Mergers, effect a Merger of the Company in accordance with the Law.

31. (A) The Company may by a Supermajority Resolution Type A:

- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (b) transfer the whole or any material part of its business or assets;
- (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
- (e) effect any Spin-off in accordance with the Taiwan Laws; and
- (f) carry out private placement of its securities.

(B) Alternatively, if the total number of Shares represented by the Shareholders present at such general meeting is not sufficient to meet the quorum criteria specified in the preceding paragraph (A), the Company may effect the above matters by a Supermajority Resolution Type B.

(C) For the matters which are required to be approved by Supermajority Resolution Type A/ Type B under these Articles, the Company shall not approve such matters by way of Special Resolution or Ordinary Resolution.

32. In the event any of the resolutions with respect to the paragraph (a), (b), or (c) of the preceding Article 31(A) is adopted by general meeting in accordance with the provisions of the Law, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Shareholder shall have the abovementioned appraisal right if the general meeting resolves on the dissolution of the Company after the completion of transfer of business or assets under the paragraph (b) of Article 31(A). In the event any part of the Company's business is spun off or involved in any Merger with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his Shares at the then prevailing fair price. In the event the Company fails to reach such agreement with the Shareholder within a sixty-day period commencing from the resolution date, the Shareholder may, within thirty days after

such sixty-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

- 32A The capital reduction shall be effected based on the percentage of shareholding of the Shareholders pro rata, unless otherwise expressly required by the Taiwan Laws. The Company reducing its capital may return share prices (or the capital stock) to Shareholders by properties other than cash; the returned property and the amount of such substitutive capital contribution shall require a prior approval of the Shareholders' meeting and obtain consents from the Shareholders who receive such property. The Board of Directors shall first have the value of such property and the amount of such substitutive capital contribution audited and certified by a certified public accountant before the shareholders' meeting.

REDEMPTION AND PURCHASE OF SHARES

33. Subject to the Law, the Taiwan Laws and these Articles, the Company may issue Shares on terms that they are to be redeemed or are liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or the Shareholder on such terms and in such manner as the Company may by Special Resolution, before the issue of such Shares, determine; provided that payment in respect of the redemption of its own Shares shall be made in a manner authorised by the applicable laws (including Taiwan Laws), including out of its profits or the proceeds of a fresh issue of Shares.
34. (A) Subject to the Law, the Taiwan Laws and these Articles, and upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares for maintaining the Company's credit shareholders' equity and assigning or transferring those shares to its employees. The resolution and the implementation thereof shall be reported in the most recent shareholders meeting. This provision shall also apply if the shares are not purchased for any reason. Except for shares purchased for assigning or transferring to its employees, the Shares so purchased shall be deemed cancelled immediately. If the Company purchases its own Shares and assigns or transfers those Shares to its employees, the Company may restrain such Shares from being assigned or transferred to others within a specific period of time which shall in no case be longer than two years.
- (B) The Company may transfer shares to its employees at less than the average actual repurchase price by a Supermajority Resolution Type A. The Company may not raise the aforesaid matter by means of an extraordinary motion. The Company must have listed the following matters in the notice of reasons for that Shareholders Meeting:

- (a) the exercise price, the valuation percentage, the bases of calculations, and the reasonableness thereof;
- (b) the amount of shares to be transferred, the purpose, and the reasonableness thereof;
- (c) qualification requirements for employees subscribing to shares, and the number of shares they are allowed to subscribe for;
- (d) factors affecting shareholders' equity:
 - 1. The possible amount of expensing, and dilution of the Company's earnings per share.
 - 2. Explain what financial burden will be imposed on the Company by transferring shares to employees at less than the average actual repurchase price.

The aggregate amount of the shares being transferred upon the approval of Shareholders Meetings specified in the preceding paragraph may not exceed five (5) percent of the total issued Shares of the Company, and the aggregate amount of shares subscribed by any single employee may not exceed zero point five (0.5) percent of total issued Shares.

- 34A The Company may issue restricted stock for employees with the approval of a Special Resolution. Alternatively, if the total number of Shares represented by the Shareholders present at such general meeting is not sufficient to meet the quorum criteria specified above, the Company may effect the above matters by a Supermajority Resolution Type B. The Company issuing restricted stock for employees shall be in compliance with the Law, these Articles and the Applicable Listing Rules and other applicable Taiwan Laws, including but not limited to, the issuance amount, issuance price, issuance conditions and other matters.
- 35. The redemption or purchase of any Share shall not be deemed to give rise to the redemption or purchase of any other Share.
- 36. Subject to the Law and the Taiwan Laws, the Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

CLOSING REGISTER OR FIXING RECORD DATE

- 37. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging

Market or listed in the GreTai Securities Market or TSE, the Register shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days immediately before the date of each annual general meeting, each extraordinary general meeting and the record date for a dividend distribution, respectively.

38. Apart from closing the Register, the Directors may fix in advance the record dates for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 38, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

39. All general meetings other than annual general meetings shall be called extraordinary general meetings.
40. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six months after close of each fiscal year and shall specify the meeting as such in the notices calling it.
41. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held in Taiwan. If any general meeting is to be held outside Taiwan, an application shall be filed with the GreTai Securities Market (or the TSE, as applicable) for approval within two days after the Board adopts such resolution. Where a general meeting is to be held outside Taiwan, the Company shall engage a duly licensed stock service agent within R.O.C. to handle the administration of such general meeting (such as voting).
42. Any Shareholder or Shareholders entitled to attend general meetings of the Company holding at least three percent (3%) of the paid up share capital of the Company for a period of one year or a longer time may, by depositing the requisition notice at the Registration Office or the Shareholders' Service Agent specifying the objects of the meeting, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Shareholders to convene such meeting within 15 days after the date of the requisition notice, the requisitionists themselves may convene the general meeting. For so long as the Shares

are registered in the Emerging Market or listed in the GreTai Securities Market or TWSE, such general meetings shall be held in Taiwan.

NOTICE OF GENERAL MEETING

43. At least thirty and fifteen days' notices in writing, specifying the place, the day and the time of meeting and, in the case of special business, the general nature of that business shall be given in manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meetings, shall be given to such persons as are entitled to vote or may otherwise be entitled under these Articles of the Company to receive such notices from the Company for any annual and extraordinary general meetings, respectively. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Shareholders or as permitted by the Law and Taiwan Laws.
- 43A The Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or discharge of directors, and other matters on the shareholders' meeting agenda, and upload them to the MOPS thirty days prior to the scheduled meeting date of that general meeting or fifteen days prior to the scheduled meeting date of a special shareholders' meeting. Where voting powers at a shareholders' meeting are to be exercised in writing, a print version of the materials and a printed ballot shall also be sent to the shareholders.
44. (A)The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions:
- (a) election or discharge of Directors;
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) winding-up, Merger or Spin-off of the Company;
 - (d) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
 - (e) the transfer of the whole or any material part of its business or assets; and
 - (f) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (g) carrying out private placement of its securities;

- (h) granting waiver to the Director's engaging in any business within the scope of business of the Company;
- (i) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
- (j) capitalization of the Capital Reserve (subject to Article 137) by issuing new Shares to its then Shareholders in proportion to the number of Shares being held by each of them.

(B) However, a Shareholder may submit proposal by *ad hoc* motions at a general meeting if such proposal is related to the matters specified in the notice for such general meeting.

45. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall prepare a manual for each general meeting and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the website designated by the Commission and the GreTai Securities Market or TSE twenty-one days prior to the scheduled meeting date of that general meeting or fifteen days prior to the scheduled meeting date of that special meeting pursuant to the Applicable Listing Rules and other applicable Taiwan Laws.

PROCEEDINGS AT GENERAL MEETING

46. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two holders of Shares being more than an aggregate of one-half of all Shares in issue present in Person or by proxy and entitled to vote shall be a quorum for all purposes. Provided however, in respect of Ordinary Resolutions, when the number of shares held by Shareholders present in Person or by proxy does not constitute the quorum set forth above, but those present represent an aggregate of one-third or more of all Shares in issue, a conditional resolution may be passed by a simple majority of those present and voting. A notice of such conditional resolution shall be given to each of the Shareholders and a general meeting shall be reconvened within one month. The quorum for such reconvened general meeting shall be at least two holders of Shares holding an aggregate of one-third or more of all Shares in issue. Such conditional resolution, if passed by a simple majority of those present and voting, shall be deemed to be passed as an Ordinary Resolution.
47. Shareholder(s) holding one percent or more of the total number of outstanding Shares at the time when the Register is closed for transfer prior to the convening date of the annual general meeting may propose in writing to the Company a proposal for discussion at an annual general meeting, provided that only one matter shall be allowed in each single

proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The submission and handling of shareholder proposals as provided herein shall be subject to the Law and the Taiwan Laws and in accordance with the rules and procedures of shareholders' meeting of the Company from time to time.

48. The Chairman of the Board shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any other Person having the convening right, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly having the convening right, the chairman of the meeting shall be elected from those Persons.
49. If at any general meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director nominated by the Directors shall preside as chairman, failing which the Shareholders present shall choose any Person present to be chairman of that meeting.
50. The chairman may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for more than five (5) days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
51. At any general meeting where a proposal put to the vote of the meeting is decided on a poll, the number or proportion of the votes in favour of, or against, that proposal shall be recorded in the minutes of the meeting. Where a poll is not demanded by any one Member, a declaration of the chairman that the resolution has been carried shall be conclusive evidence of the fact, without proof of the number or proportion of votes recorded in favour of or against the same.
52. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting may be passed by an Ordinary Resolution.
53. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

VOTES OF SHAREHOLDERS

54. Subject to any rights and restrictions for the time being attached to any Share, every Shareholder who is present in person (or in the case of a shareholder being a corporation, by

its duly authorised representative) and every Person representing a Shareholder by proxy shall have one vote, and on a poll every Shareholder who is present in person (or in the case of a shareholder being a corporation, by its duly authorised representative) and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder which is fully paid or credited as fully paid.

55. Where the Company has knowledge that any Shareholder is, under the Taiwan Laws, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.
- 55A In the event a Director has created a pledge on the Company's Shares more than half of the Company's Shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of Shares shall not be exercised and the excessive portion of Shares shall not be counted in the number of votes of shareholders present at the meeting.
56. (A) No vote may be exercised with respect to any of the following Shares:
- (a) the Shares held by any subordinate company (as defined under Taiwan Laws, hereinafter the "subsidiary") of the Company, where the total number of voting shares or total voting shares equity held by the Company in such a subsidiary represents more than one half of the total number of voting shares or the total voting shares equity of such a subsidiary; or
 - (b) the Shares held by another company, where the total number of the voting shares or total voting shares equity of that company held by the Company and its subsidiaries directly or indirectly represents more than one half of the total number of voting shares or the total voting share equity of such a company.
- (B) The Shares held by any Shareholder having no voting right shall not be counted in the total number of issued Shares while adopting a resolution at a general meeting.
57. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their Shareholder's rights and the vote of their representative who tenders a vote whether in Person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
- 57A In case a Shareholder holds shares for other Person, such Shareholder may exercise his voting power separately.
58. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a

committee appointed by that court, and any such committee or other Person, may vote by proxy.

59. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a power of attorney prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one power of attorney and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two or more written proxies from one Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. The use of proxies and solicitation and relevant proceedings shall be subject to the relevant Taiwan Laws and in particular the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.
60. In case a Shareholder has authorized a proxy to attend the Shareholders' meeting on his behalf and also exercised his voting power in writing or by way of electronic transmission, then the voting power exercised by the authorized proxy for the said Shareholder shall prevail, subject to the Law.
61. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice for the relevant general meeting, sent either through post or by electronic transmission as the case maybe, and such notice and proxy materials shall be distributed, either through post or by electronic transmission as the case maybe, to all Shareholders on the same day.
62. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
63. Except for trust enterprises duly licensed under Taiwan Laws or Shareholders' Service Agencies approved by Taiwan competent authorities, when a Person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.

64. A Shareholder cannot exercise his own vote or by proxy on behalf of another Shareholder in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. Such Shares shall not be counted in determining the number of votes of the Shareholders present at the said meeting.
65. Where the Company has only one Shareholder, a resolution in writing signed by such Shareholder in accordance with these Articles shall be as valid and effective as if the same had been passed at a general meeting of the Company duly called and constituted.
66. To the extent permitted by the Law, the votes may be exercised in writing or by way of electronic transmission if such method for exercising the votes has been described in the notice of the general meeting, subject to the Law and the Taiwan Laws. The Company shall facilitate and allow Shareholders to exercise the votes in writing or by way of electronic transmission if the general meeting is held outside of Taiwan and shall specify the method of such exercising of votes in the meeting notice, subject to the Law.
67. For the avoidance of doubt, a Shareholder who exercises his votes in writing or by way of electronic transmission in accordance with the Taiwan Laws and these Articles shall be counted towards the quorum, and shall be deemed to have attended and voted in person at such general meeting for the purposes of these Articles and the Law, but shall be deemed to have waived his votes in respect of any ad hoc motions and amendments to the contents of the original proposals at such general meeting, subject to the Law.
68. A Shareholder shall deliver his declaration about the votes in writing or by way of electronic transmission to the Company no later than the second (2^{ed}) day prior to the scheduled meeting date of the general meeting; whereas if two or more declarations are delivered to the Company, the first declaration shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later, subject to the Law.
69. In case a Shareholder who has exercised his votes in writing or by way of electronic transmission intends to attend the general meeting in person, he shall, at two days prior to the meeting date serve a separate declaration of intention in the same manner as such Shareholder exercises his votes to revoke his previous declaration of intention made in exercising the votes, subject to the Law. In the absence of a timely revocation of the previous declaration of intention, the votes exercised in writing or by way of electronic transmission shall prevail, subject to the Law.
70. In case the procedure for convening a general meeting of Members or the method of adopting resolutions is in violation of the Law, Taiwan Laws or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition to the Taipei District Court of Taiwan or the competent court in Cayman Islands for an

appropriate remedy, including but not limiting to request the court to invalidate and cancel the resolution adopted therein.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

71. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any Class of Members of the Company, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

DIRECTORS

72. The Company shall have no less than five Directors and no more than ten Directors in number. The exact number of Directors shall be determined by an Ordinary Resolution of the general meeting prior to the election of a new term of Directors. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them.
73. The general meeting of the Shareholders may appoint any natural Person or corporation to be a Director. At a general meeting of election of Directors, the number of votes exercisable in respect of one Share shall be the same as the number of Directors to be elected, and the total number of votes per Share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director so elected.
74. The Company should also adopt a candidate nomination system which is in compliance with Taiwan Laws. The nomination and election of Directors shall be made in accordance with rules and procedures established by the Company subject to an Ordinary Resolution of Shareholders from time to time, which shall be in compliance with the Law, these Articles and the Applicable Listing Rules and other applicable Taiwan Laws.
75. Subject to these Articles, the term for which a Director will hold office shall be three years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office subject to these Articles and internal rules of the Company from time to time.
76. (a) A Director may be discharged at any time by a Supermajority Resolution Type A adopted at a general meeting. Alternatively, if the total number of Shares represented by the Shareholders present at such general meeting is not sufficient to meet the

quorum criteria specified above, the Company may effect the above matter by a Supermajority Resolution Type B.

(b) In the event a Director has, in the course of performing his/her duties as a Director, committed any act resulting in material damages to the Company or in material violation of these Articles, Laws and Applicable Listing Rules, but not dismissed by a resolution of the general meeting, Shareholder(s) holding 3% or more of the issued and outstanding Shares of the Company may, within 30 days after that general meeting, institute a lawsuit in the Taipei District Court of Taiwan or other competent court for a judgment in respect of such matter.

(c) In the event a Director has, in the course of performing his duties as a Director, committed any act for himself or on behalf of another Person in violation of the duty of the loyalty and the due care of a good administrator in conducting the business operation of the company, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company unless one year has lapsed since the realization of such earnings.

77. The Board shall have a Chairman (the “**Chairman**”) elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board. To the extent the Chairman is not present at a meeting of the Board within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

78. The Board may, from time to time, and except as required by the applicable Laws and Taiwan Laws, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

79. A Director shall not be required to hold any Shares in the Company by way of qualification.

DIRECTORS’ FEES AND EXPENSES

80. The Directors shall receive such remuneration as determined by the Board, in accordance with the extent of the involvement of the business operation and the contribution of each Director, no matter the Company profits or losses at such year, and the Board shall take reference to the average level of the industry.

81. With respect to the preceding Article 80, each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any Class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
82. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

INDEPENDENT DIRECTORS, THE AUDIT COMMITTEE AND THE REMUNERATION COMMITTEE

83. For so long as the Shares are listed on the GreTai Securities Market or TSE, the Company shall have at least 3 Independent Directors, among them at least one Person shall have a domicile within Taiwan, to be elected by way of a candidate nomination system in compliance with the Law, the Applicable Listing Rules and other applicable Taiwan Laws. In the event that the seat of any Independent Director being lower than three Persons, a by-election for Independent Director(s) shall be held at the next following general meeting. In the event that the seats of all Independent Directors become vacant, the Company shall convene an extraordinary general meeting to hold a by-election within 60 days from the date on which the situation arose. The term of each new Independent Director shall be the remainder of the term of each respective Independent Director whose seat has become vacant.
84. Independent Directors shall possess professional knowledge and maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, as well as assessment of independence of Independent Directors shall be governed by the Applicable Listing Rules, in particular, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC on March 28, 2006 and any amendments or supplements made subsequently mutatis mutandis.
85. (a) The Company shall establish an Audit Committee.

- (b) The Audit Committee shall comprise all the Independent Directors. It shall not be fewer than three Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.
 - (c) A resolution of the Audit Committee shall be approved by one-half or more of all Audit Committee Members.
86. (a) The following matters shall be subject to the approval of one-half or more of all Audit Committee Members and be submitted to the Directors for a resolution:
- (1) adoption or amendment of an internal control system;
 - (2) assessment of the effectiveness of the internal control system;
 - (3) adoption of or amendment to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
 - (4) a matter bearing on the personal interest of a Director;
 - (5) a transaction related to material asset or derivatives;
 - (6) a material monetary loan, endorsement, or provision of guarantee;
 - (7) the offering, issuance, or private placement of any equity-type securities;
 - (8) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
 - (9) the appointment or discharge of a financial, accounting, or internal auditing officer; and
 - (10) annual and semi-annual financial reports;
- (b) With the exception of subparagraph 10, any matter under a subparagraph of the preceding paragraph (a) of this Article 86 that has not been approved with the approval of one-half or more of all Audit Committee Members may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of Directors.
- 86A For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall establish a remuneration committee. Remuneration shall include salary, stock options, and any other substantive incentive measures for directors and managerial officers. The professional qualifications for the members of the remuneration committee, the exercise of their powers of office, and related matters shall be made in accordance with rules and procedures established by the Company.

ALTERNATE DIRECTOR OR PROXY

87. Any Director may in writing appoint another Shareholder to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to act in such Director's place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them
88. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

89. Subject to the Law, these Articles, Taiwan Laws and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
90. The Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one or more vice-presidents, chief financial officer or controller, treasurer, assistant treasurer, or manager, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be

a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

91. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
92. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
93. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
94. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
95. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Persons.
96. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

98. Subject to these Articles, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence
100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary or in the presence of any one or more Persons as the Directors may appoint for the purpose
101. Notwithstanding the foregoing, a Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION AND CHANGES OF DIRECTORS

102. The office of Director shall be vacated, if such Director:
- (a) committed a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of Taiwan) and has been adjudicated guilty by

a final judgment, and the time elapsed after he has served the full term of the sentence is five-year or less;

- (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after he has served the full term of such sentence is two-year or less;
- (c) has been adjudicated guilty by a final judgment for misappropriating company or public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is two-year or less;
- (d) becomes bankrupt under the laws of any country or makes any arrangement or composition with his creditors generally;
- (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (f) losses all or part of legal capacity as defined under the Taiwan Laws;
- (g) dies or is found to be or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Directors resolved that his office is vacated;
- (h) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of any law or enactment;
- (i) resigns his office by notice in writing to the Company; and/or
- (j) is removed from office pursuant to Article 76.

103. Except as approved by the GreTai Securities Market or TSE or the Commission, the following relationships shall not exist among more than half of the Company's Directors: (1) A spousal relationship; or (2) A familial relationship within the second degree of kinship as defined under the Taiwan Laws.

104. When the Company convenes a general meeting for the election of Directors and the original selectees do not meet the conditions stipulated in the preceding Article 103, the election of the Director receiving the lowest number of votes among those Directors not meeting the conditions shall be deemed invalid and void. When a Person serving as Director violates the preceding Article 103, that Person shall cease to act as a Director.

105. When the number of Directors falls below five due to a Director ceasing to act for any reason, the Company shall hold a by-election for Director at the next following general meeting of Shareholders. When the number of Directors falls short by one-third of the total

number of Directors of the same term elected pursuant to these Articles, the Company shall convene an extraordinary general meeting within sixty days of the occurrence of that fact to hold a by-election for Directors. The term of each new Director shall be the remainder of the term of each respective Director whose seat has become vacant.

- 105A Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. The aforesaid resolution of re-election shall be attended by shareholders holding at least a majority of all issued Shares of the Company.

PROCEEDINGS OF DIRECTORS

106. The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings, as they think fit. Unless otherwise provided, questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and on the requisition of a Director shall, at any time summon a meeting of the Directors.
107. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of video conference and such participation shall be deemed to constitute presence in person at the meeting.
108. Unless otherwise provided, the quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
109. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director who has a personal interest in the matter under discussion at a meeting of Directors shall explain to the Board meeting the essential contents of such personal interest. A Director who has a personal interest in the matter under discussion at a meeting, which may be adverse to the interest of the Company, cannot vote his own vote or by proxy on behalf of another Director. The voting right of such Director which cannot be exercised shall not be counted in the

number of votes of Directors present at the board meeting (but shall still be counted in the quorum for such meeting).

110. Notwithstanding the preceding Articles, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
111. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
112. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
 - (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
113. (deleted)
114. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
115. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

116. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
117. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
118. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds of all Directors:
- (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
 - (b) the sale or transfer of the whole or any material part of its business or assets;
 - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) the election of Chairman of the Board pursuant to these Articles; and
 - (e) issuance of corporate bonds.

DIVIDENDS

119. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
- 119A. As regards the dividend policy, subject to the Law, the Company may consider factors including, among others, the Company's overall development, financial plans, the demand for working capital, the current industry outlook, future prospects and the proportion of cash and/or shares to be paid as dividends. Subject to Article 120, and after paying or reserving taxes due, deducting previous years' losses, the Directors may present for approval by Ordinary Resolution at a general meeting a proposed plan for allocation of dividends ("**Distributable Profits**") and, upon such approval being duly given, cause the said plan to be implemented in the form of cash and/or shares, provided that no less than ten percent (10%) of the **Profit for the year attributable to Owners of the Company** shall be distributed as dividend in each financial year, and no less than twenty percent (20%) of the total dividends distributed in each financial year shall be in the form of cash.

120. The Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.
121. Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
122. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
123. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
124. No dividend shall bear interest against the Company.
125. No dividend shall be declared or paid or shall be made otherwise than in accordance with the Law.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

126. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
127. The books of account shall be kept at the Registered Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
128. No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Law and Taiwan Laws or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.
129. After the end of each fiscal year, the Board shall prepare and submit the financial statements and records and such other reports and documents as may be required by the Law and the

Taiwan Laws to the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting. However, the Company may notify its Shareholders who hold less than 1,000 Shares by way of a public announcement of the abovementioned statements and resolutions.

130. The Board shall keep copies of the yearly business report and financial statements at the office of its Shareholders' Service Agent before ten (10) days of the annual general meeting and any of its Shareholders is entitled to inspect such documents during normal business hours of such service agent. The Board shall keep copies of the Articles, the minutes of every general meeting of the Shareholders and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company at the business office of its Shareholders' Service Agent. Any Shareholder may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, an access to inspect and to make copies of the above documents.
131. Save for otherwise provided under these Articles, Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
132. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules or other Taiwan Laws.
133. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

AUDIT

134. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his remuneration.
135. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

136. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

CAPITALISATION OF RESERVE

137. (A) For purpose of the Articles, Capital Reserve means (1) the Share Premium Account, (2) the income from endowments received by the Company, and (3) other items required to be treated as Capital Reserve pursuant to the Taiwan Laws. Capital Reserve may only be used for (a) making good the loss of the Company, (b) capitalisation as set forth in the Article 137, or (c) as otherwise provided for in the Taiwan Laws and/or the Law.

(B) Subject to the Law, when the Company does not have any loss on its books, the Company may by Special Resolution capitalize (1) the Share Premium Account and (2) the income from endowments received by the Company, from the Capital Reserve in whole or in part, by issuing new shares to its Shareholders in proportion to the number of Shares being held by each of them. Article 8 is not applicable for the issuance of new Share pursuant to Article 137 herein.

TENDER OFFER

138. Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:
- (a) the types and amount of the Shares held by the Directors and the Shareholders holding more than 10% of the outstanding Shares in its own name or in the name of other Persons;
 - (b) recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;
 - (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any;

- (d) the types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than 10% of the outstanding Shares held in its own name or in the name of other Persons.

SHARE PREMIUM ACCOUNT

139. The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
140. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.
141. The Company shall at all times comply with the provisions of the Law in relation to the share premium account, the premiums attaching to Shares and the capital redemption reserve fund.

WINDING UP

142. Subject to the Law, if the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Shareholders in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
143. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law and in compliance with the Applicable Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.

144. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

NOTICES

145. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by posting on the MOPS or the Company's website, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
146. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
147. Any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five days after the time when the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service

148. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

149. Notice of every general meeting of the Company shall be given to:

- (a) all Shareholders holding Shares with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them; and
- (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting and has informed the Company with the supporting documents as requested by and satisfactory to the Company.

No other Person shall be entitled to receive notices of general meetings.

AMENDMENT OF MEMORANDUM AND ARTICLES

150. Subject to the Law, Taiwan Laws and the Articles including without limitation Article 13, the Company may at any time and from time to time by a Special Resolution alter or amend the Memorandum of Association or these Articles in whole or in part, or change the name of the Company.

ORGANISATION EXPENSES

151. The preliminary and organisation expenses incurred in forming the Company shall be paid by the Company and may be amortised in such manner and over such period of time and at such rate as the Directors shall determine and the amount so paid shall in the accounts of the Company, be charged against income and/or capital.

OFFICES OF THE COMPANY

152. The Registered Office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company, in addition to its Registered

Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Directors may from time to time determine.

INFORMATION

153. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of these Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the Memorandum and Articles of Association and accounting books and records.
154. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
155. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company

INDEMNITY

156. Every Director (including for the purposes of this Article 156 any alternate Director appointed pursuant to the provisions of these Articles), the Managing Directors, every alternate Directors, every Auditors, every Secretary and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

157. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud.

NON-RECOGNITION OF TRUSTS

158. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors in their absolute discretion.

FINANCIAL YEAR

159. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

REGISTRATION BY WAY OF CONTINUATION

160. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article 160, the Directors may cause an application to be made to the Registrar of Companies in the Cayman Islands to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

Annex X. Shareholdings of Directors

Wisdom Marine Lines Co., Limited

Shareholdings of Directors

Title	Name	Date Elected	Shareholdings on Date Elected			Current Shareholdings			Remarks
			Type	Number of Shares	% of Shares Outstanding	Type	Number of Shares	% of Shares Outstanding	
Chairman	Lan, Chun-Sheng	May 29, 2015	Ordinary Shares	178,264,158	36.61%	Ordinary Shares	183,914,158	37.78%	Chairman
Director	Chao, Tzu-Lung	May 29, 2015	Ordinary Shares	361,962	0.07%	Ordinary Shares	574,962	0.12%	Director
Director	Fukui Masayuki	May 29, 2015	Ordinary Shares	1,342,023	0.27%	Ordinary Shares	1,342,023	0.28%	Director
Director	Jinzhou Investment Co., Ltd.	May 29, 2015	Ordinary Shares	1,320,535	0.27%	Ordinary Shares	1,402,592	0.29%	Director
Independent Director	Iwanaga Yasuhisa	May 29, 2015	Ordinary Shares	0	0%	Ordinary Shares	0	0%	Independent Director
Independent Director	Huang, Jen-Chung	May 29, 2015	Ordinary Shares	0	0%	Ordinary Shares	0	0%	Independent Director
Independent Director	Lan, Chun-Sheng	May 29, 2015	Ordinary Shares	0	0%	Ordinary Shares	0	0%	Independent Director
Independent Director	Chen, Po-Chih	May 29, 2015	Ordinary Shares	0	0%	Ordinary Shares	0	0%	Independent Director

Annex XI. Note 1 : Total issued shares outstanding on May 29, 2015: 486,808,327 shares.

Annex XII. Note 2 : Total issued shares outstanding as of the book closing date: 556,864,349 shares.

Annex XIII. Note 3 : Pursuant to Article 26 of the Securities and Exchange Act, the total shares of nominal stocks held by the entire body of directors of an issuer shall not be less than 17,819,659 shares.

Annex XIV. Note 4 : Total shares held by the entire body directors as of the book closing date: 187,233,735 shares.

Note 5 : Shareholdings of indepent directors are excluded from the total shares held by the entire body directors.

Annex XV. Relevant Information on Proposals Made by Shareholders Holding 1% or More of the Total Issued Shares of the Company

1. In accordance with Article 172-1 of the Company Act, the proposal acceptance period began on April 17, 2017 and ended on April 27, 2017.
2. There were no submissions of proposals by the shareholders holding 1% or more of the total issued shares during the proposal acceptance period.