WISDOM MARINE LINES CO., LIMITED
(the "**Company**")
Incorporated in the Cayman Islands

Minutes of the 2018 Annual General Meeting

Time and Date: 25 May 2018, 10am (Taipei local time)

Location: B1, No.85, Sec.4, Roosevelt Rd., Da'an Dist., Taipei City （GIS NTU Convention Center）

Members Present: Total number of shares represented by members of the Company present or by proxy: 408,624,163 ordinary shares (among them, 61,838,286 shares voted via electronic transmission) of the 616,707,566 total number of issued and outstanding ordinary shares of par value NTD10.00 of the Company, representing 66.25 % of the total number of issued and outstanding shares of the Company.

Present Directors: Lan Chun-Sheng, Mike Tzu-Lung Chao, Fukui Masayuki, Chen Po-Chih

Agenda

I. Reports

1. 2017 Business Report
2. 2017 Financial Report
3. The Audit Committee Report on the Review of the 2017 Financial Report
4. 2017 Directors' Remuneration Report.
5. Report on 2nd Secured Convertible Bonds
6. Report on 3rd Unsecured Convertible Bonds
7. Amendments to the Rules of Board Meetings

II. Proposals for Ratification

1. Recognition of 2017 Financial Report
2. Recognition of 2017 Dividend Proposal

III. Proposals for Discussion

1. Distribution of Cash Dividends out of Capital Reserve

IV. Proposals for Elections

1. The Election for 5th Directors and Independent Directors

V. Others

1. Waiver of Directors' Non-Competition Obligation

VI. Meeting Adjourned

This Meeting was called to order by LAN Chun-Sheng (the "Chairman"), who acted as the Chairman of this Meeting. The notice convening this Meeting was taken as read, and the Chairman declared that notice of this Meeting had been duly sent to all the members of the Company (collectively, the "Members" and each a "Member") in accordance with the Articles of Association of the Company (the "Articles"). All the Members being present, the requisite quorum for this Meeting was duly constituted. Such quorum was present, acting and maintained throughout this Meeting. This Meeting proceeded as follows:

I. Reports

1. <u>2017 Business Report</u> <u>(Proposed by the Board of Directors)</u>

IT WAS NOTED THAT the 2017 Business Report was presented in the form attached hereto as **<u>Annex I</u>**.

2. <u>2017 Financial Report</u> <u>(Proposed by the Board of Directors)</u>

IT WAS NOTED THAT the 2017 Financial Report and the audit report of Ernst & Young were presented in the form attached as **<u>Annex II</u>**.

3. <u>The Audit Committee Report on the Review of the 2017 Financial Report</u>

IT WAS NOTED THAT the Audit Committee has reviewed the 2017 Financial Report and presented its review report as **<u>Annex III</u>**.

4. <u>2017 Directors' Remuneration Report</u>

IT WAS NOTED THAT the Company proposed to distribute director reward of NTD 4,413,515 by cash.
The Remuneration Committee approved the proposed director reward at 7th Meeting of the 3rd Remuneration Committee of the Company on March 30, 2018.

5. <u>Report on 2nd Secured Convertible Bonds</u>.

IT WAS NOTED THAT：

i. At a meeting held on July 28, 2017, the Board of Direcotors of the Company approved the Directors resolved to raise NTD 400,000,000 by issuing (the "2nd **CB Issue**") secured convertible bonds (the "2nd **CBs**"). The Company received formal approval for the 2nd CB Issue from the Central Bank of the Republic of China (Taiwan) and the Financial Supervisory Commission R.O.C. on August 17, 2017 and September 8, 2017 respectively.

ii. The initial conversion price of the 2nd CB Issue was set on September 22, 2017. The 2nd CBs were issued in accordance with the Articles of the

Company, on the following terms:

(1) Total Amount of the 2nd CB Issue: NTD 400,000,000.

(2) Type, Face Value and Issue Price: the 2nd CBs were issued in the form of secured convertible bonds with a face value of NTD 100,000 and issued at 100% of the face value.

(3) Issuance Date: September 30, 2017.

(4) Period: 3 years, with maturity date on September 30, 2020.

(5) Repayment at Maturity: Unless converted or redeemed, all outstanding convertible bonds will be repaid with cash upon maturity.

(6) Coupon Rate: 0% per annum.

(7) Conversion Premium: 106.07%.

(8) Conversion Price: NTD 29.80 (pursuant to the terms and conditions of the 2nd CB Issue, the conversion price must be adjusted for Issuance of Common Stock, and had therefore been adjusted from NTD 30.00 to NTD 29.80 since November 3, 2017)

(9) The total amount of outstanding 2nd CBs was NTD 400,000,000 as at March 30, 2018. Full conversion of the 2nd CB Issue to ordinary shares could dilute the shares of the Company by up to 2.13%.

(10)The 2nd CBs have been traded over-the-counter since issuance.

(11)Funds raised from the 2nd CB Issue had been fully invested by Q1 2018.

6. **Report on 3rd Unsecured Convertible Bonds.**

IT WAS NOTED THAT：

i. At a meeting held on July 28, 2017, the Board of Direcotors of the Company approved the Directors resolved to raise NTD 800,000,000 by issuing (the “3rd **CB Issue**”) secured convertible bonds (the “3rd **CBs**”). The Company received formal approval for the 3rd CB Issue from the Central Bank of the Republic of China (Taiwan) and the Financial Supervisory Commission R.O.C. on August 17, 2017 and September 8, 2017 respectively.

ii. The initial conversion price of the 3rd CB Issue was set on September 25, 2017. The 3rd CBs were issued in accordance with the Articles of the Company, on the following terms:

(1) Total Amount of the 3rd CB Issue: NTD 800,000,000.

(2) Type, Face Value and Issue Price: the 3rd CBs were issued in the form of secured convertible bonds with a face value of NTD 100,000 and issued at 100% of the face value.

(3) Issuance Date: October 2, 2017.

(4) Period: 3 years, with maturity date on October 2, 2020.

(5) Repayment at Maturity: Unless converted or redeemed, all outstanding convertible bonds will be repaid with cash upon maturity.
(6) Coupon Rate: 0% per annum.
(7) Conversion Premium: 103.98%.
(8) Conversion Price: NTD 29.30 (pursuant to the terms and conditions of the 3rd CB Issue, the conversion price must be adjusted for Issuance of Common Stock, and had therefore been adjusted from NTD 29.50 to NTD 29.30 since November 3, 2017)
(9) The total amount of outstanding 3rd CBs was NTD 800,000,000 as at March 30, 2018. Full conversion of the 3rd CB Issue to ordinary shares could dilute the shares of the Company by up to 4.24%.
(10)The 3rd CBs have been traded over-the-counter since issuance.
(11)Funds raised from the 3rd CB Issue had been fully invested by Q1 2018.

7. **Amendments to the Rules of Board Meetings**

IT WAS NOTED THAT in order to better comply with recent amendments to laws and regulations promulgated by the Financial Supervisory Commission on July 28, 2017 per Letter No. 1060027112,, the Company proposed to amend the Rules of Board Meetings. Please refer to **Annex IV**.

II. Proposals for Ratification

1. **Recognition of 2017 Financial Report**

IT WAS NOTED THAT:

(1) The Financial Report including consolidated results of the Company for 2017 (the "**2017 Financial Report**") has been audited by Ernst & Young and reviewed by the Audit Committee.

(2) The 2017 Financial Report and the audit report of Ernst & Young are attached as **Annex II**.

Resolution:

IT WAS RESOLVED THAT the 2017 Financial Report is recognized and accepted.

The total voting rights of present shareholders when voting ： 344,256,242 votes

Voting Results	% of the total representation at the time of voting
Votes in favor: 335,715,379 votes	97.51%
Votes against: 279,637 votes	0.08%
Votes invalid: 0 votes	0%
Votes abstained: 8,261,226 votes	2.39%

2. **<u>Recognition of 2017 Dividend Proposal</u>**

IT WAS NOTED THAT:

(1) The Board of Directors of the Company (the "**Board**") has approved the distribution of 2017 profit (the "**Dividend Proposal**") on March,30 2018. The proposed Dividend Proposal is set out as follows: :

Wisdom Marine Lines Co., Ltd.

2017 Earning Distribution Table Unit：NT$

Items	Undistributed Earnings
2016 Distributable Retained Earnings	11,625,110,472
minus：2017 Legal Reserve	-
add：2017 Net Income	417,891,250
(Remarks 1)	84,280
add：2017 Other Income	(1,029,900)
Total Distributable Earnings up to 2017	12,043,086,002
Undistributed Earnings at End of 2017	12,043,086,002
Remark 1: Equivalent to USD13,731,968.	

(2) The total amount of distributable retained earnings up to the year of 2017 was NT$ 12,043,086,002. The total amount of undistributed earnings at the end of 2017 was NT$12,043,086,002.

Resolutions:

IT WAS RESOLVED THAT the Dividend Proposal is recognized, accepted and approved.

The total voting rights of present shareholders when voting ： 344,256,242 votes

Voting Results		% of the total representation at the time of voting
Votes in favor:	335,723,434 votes	97.52%
Votes against:	279,682 votes	0.08%
Votes invalid:	0 votes	0%
Votes abstained:	8,253,126 votes	2.39%

III. Proposals for Discussion

1. **<u>Distribution of Cash Dividends out of Capital Reserve (by Special Resolution) (Proposed by the Board of Directors)</u>**

<u>Explanatory Notes</u>：

(1) The total Capital Reserve from the issuance of shares at a premium in the 2017 Financial Report is NT$1,612164,067The 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$ 616,707,566 out of Capital Reserve by declaring an annual ordinary share cash dividend (the “Cash Dividends”) of approximately NT$1.0 per share, and (the “Dividend Ratio”), leaving a total of NT$ 995,456,501 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 authorized 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 authorized 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 number of issued and outstanding shares on the Dividend Declaration Record Date may be affected.

(4) The Board of Directors shall be authorized 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:

IT WAS RESOLVED THAT the Distribution of Cash Dividends out of Capital Reserve is approved.

The total voting rights of present shareholders when voting ： 344,256,242 votes

Voting Results	% of the total representation at the time of voting
Votes in favor: 335,614,289 votes	97.48%
Votes against: 386,633 votes	0.11%
Votes invalid: 0 vote	0%
Votes abstained: 8,255,320 votes	2.39%

IV. Proposals for Election

1. The Election for the Fifth Board of Directors (by Special Resolution) (Proposed by the Board of Directors)

IT WAS NOTED THAT:

(1) The Directors' term will end on May 29, 2018; the Board of Directors proposed to hold an election in accordance with the Articles of Association of the Company.

(2) Pursuant to Article 72 of the Articles of Association of the Company, the Company shall have no less than five directors and no more than ten directors. To adhere to high standards of corporate governance, the Company proposed to elect 9 directors (including 5 independent directors).

(3) The newly elected directors of the Company will serve from May 25, 2018 to May 24, 2021 or until the Annual General meeting after the election, whichever date is the earlier.

(4) The Company has adopted a candidate nomination system. The Nominating Committee and the Board of Directors have reviewed the qualifications of the candidates and approved the following list of candidates on March 30, 2018:

List of Director Candidates：

Name	Academic Background	Experience	Current Position	Shares held
Lan, Chun-Sheng	BA in Business Administration, Tamkang University(Taiwan)	-President, Shih Wei Navigation Co., Ltd -President, First Steamship Group	Chairman, Wisdom Marine Lines Co., Ltd.	197,793,456
Chao, Tzu-Lung	BA in Economics& Biology, University of Maryland (U.S.A.)	William&Associates, CPA	-Director and Vice President of Business and Operation Department, Wisdom Marine Lines	603,710
Fukui Masayuki	BA in Business Administration, Chapman College(U.S.A.)	-Tokyo Freighting, Ltd shipbroker -Partner,Yoko Senpaku Co.	-Director, Wisdom Marine Lines Co., Ltd. -Founder and President, Yoko Co., Ltd.	1,470,819

Jinzhou Investment Co., Ltd. (representative: Chen, Ming-Shang)	BA in City Administration, Chinese Culture University(Taiwan)	-Sales Manager, Jardine Matheson Ltd	-President,Prime Maritime Agency Co.,Ltd	1,472,721

List of Independent Director Candidates：

Name	**Academic Background**	**Experience**	**Current Position**	**Shares held**
Tu, Neng-Mo	- J.S.D./LL. M,University of California, Berkeley, School of Law(U.S.A.); -LL. B. National Taiwan University(Taiwan)	-Co-Founder and Managing Partner, Elements Attorneys ; -Corporate Counsel, Media Tek Inc. -Corporate Counsel, Foxconn Group - Intern, Lee and Li, Attorneys-at-Law	International Partner, King&Wood Mallesons	0
Chen, Pochih	-Ph.D. in Economics, National Taiwan University	-Chair, Economics Department, National Taiwan University and Director of Research Division, Taiwan Institue of Economic Research -Director, Central Bank of the Republic of China -Chairperson, Council for Economic Planning and Development, Executive Yuan -Economic Advisor to the President -National Policy Advisor to the President -Professor, National Taiwan University -Chairman, Taiwan Thinktank	-Honorary Professor, National Taiwan University -Honorary Chairman, Taiwan Thinktank	0

Name	Academic Background	Experience	Current Position	Shares held
Lin,Tse-Chun	-Ph.D in Finance, Finance Group, University of Amsterdam -M.Phil in Economics, Tinbergen Institute -MBA in International Business, National Chengchi University -BA in Economics, National Taiwan University	-Associate Professor of Finance, Faculty of Business and Economics, University of Hong Kong -Assistant Professor of Finance, Faculty of Business and Economics, University of Hong Kong	Professor of Finance, Faculty of Business and Economics, University of Hong Kong	0
Chiu,Yung-Ho	-Ph.D in Economics from University of Mississippi USA -Master in Economics from Soochow University -Bachelor in Economics from FengChia University	• Vice Chairperson & Spokesman, Fair Trade Commission, ROC • Dean of Office of Academic Affairs, Soochow University • Director, First Commercial Bank • Member of Remuneration Committee, Teco Electric and Machinery Co., Ltd • Director, Chenfull International Co., Ltd	-Professor of Department of Economics, Soochow University	0
Liu,Tsai-Ching	-Ph.D of Department of Economics, University of North Calorina at Chapel Hill, USA -BA Department of Economics, National Chung Hsing University	• Fulbright Scholar,USA • Harvard University Visiting Professor	•Professor of National Taipei University • Director, Taiwan Stock Exchange	0

Election Results

Title	Shareholder's No. or ID	Name	Shares in favor
Director	1	Lan, Chun-Sheng	377,644,245
Director	110	Chao, Tzu-Lung	341,547,410
Director	TR4XXXXX1	Fukui Masayuki	326,385,046
Director	15	Jinzhou Investment Co., Ltd	324,401,894
Independent Director	F123XXXXX5	Tu, Neng-Mo	298,011,948
Independent Director	P100XXXXX6	Chen, Po-Chih	298,101,449
Independent Director	P122XXXXX7	Lin, Tse-Chun	297,971,000
Independent Director	E101XXXXX3	Chiu, Yung-Ho	297,968,429
Independent Director	A223XXXXX7	Liu, Tsai-Ching	298,054,147

V. Others

1. <u>Waiver of Director's Non-Competition Obligation (by Special Resolution)</u>

IT WAS NOTED THAT:

(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 proposed for shareholders' resolution that the newly elected Directors or their representatives be released of their non-competition obligations.

Director	Waiver of Director's Non-Competition Obligation
Lan, Chun-Sheng	Chairman of Wisdom Shipping Agency Co., Ltd Director of Pa-Li Co., Ltd Advisor of Shih Wei Navigation Co., Ltd
Chao, Tzu-Lung	Supervisor of Tun-Lien Shipping Agency Co., Ltd

Director	Waiver of Director’s Non-Competition Obligation
Fukui Masayuki	Agency of Tokyo Freighting, Ltd Partner of Yoko Senpaku Co.
Jinzhou Investment Co., Ltd. (representative: Chen, Ming-Shang)	Chairman of Chien-Hang Shipping Agency Co., Ltd

(3) The above revise version is hereby proposed for resolution.

Resolution:

IT WAS RESOLVED THAT Waiver of Director’s Non-Competition Obligation is approved.

The total voting rights of present shareholders when voting ： 344,256,242 votes

Voting Results	% of the total representation at the time of voting
Votes in favor: 333,458,005 votes	96.86%
Votes against: 661,143 vote	0.19%
Votes invalid: 0 vote	0%
Votes abstained: 10,137,094 votes	2.94%

Meeting Adjourned (Meeting ended at 11:30 am)

There being no other business, the Chairman declared this Meeting closed.

Chairman: ______________________
Lan Chun-Sheng
Chairman

Secretary: ______________________
Bruce Yichun Hsueh
Secretary

Annex
Annex I. 2017 Management Report

Wisdom Marine Lines Co., Ltd.
2017 Management Report

I. Review of Business and Strategy
Fleet Changes
In 2017, we have taken delivery of 11 new vessels, bareboat chartered in 1 vessel and manage 1 more vessel. At the same time, we also disposed 3 owned vessels. Our total fleet changed from 114 to 124 in 2017. As at the end of 2017, the average ship age of our fleet is 6.2 years.

Business Overview

Since the dry bulk shipping market fell to its bottom in early 2016, the market has gradually recovered. The recovery is slow but relatively steady. The oversupply of ships was ameliorated. The new building order book has reduced significantly over the past 2-3 years largely due to the recessed market. Another factor suppressing new building order could be attributable to the new environmental conventions that increased ship building costs, such as SOx, NOx and ballast water treatment. Despite the postponed implementation of ballast water treatment convention, the United States has maintained its own implementation schedule. This has increased the operational limits to the older vessels.

While the market condition has reduced shipowner’s earning power, the new environmental rules increase the operation costs and capital requirements for the shipping industry. The steady recovery has taken the freight to a relatively healthy level but the asset price remain slow to pick up. A trend of speculative over-investment has not been a part of this recovery. This development gave us more confidence on the sustainability of recovery.

Financial Performances
Taking advantage of the recovered market, we have secured profitable employment for the new buildings delivered in 2017. The average margin was higher than 30%. The contract renewal also gave us better outcome than before. From April to the end of 2017, we have seen our monthly operation margin increased from about 10.7% to about 23.9%. The improvement was significant.

Despite the improvement in operation, we did not have other material other income. The sale of vessel was slow and unprofitable. We further recognized loss from investment in office building and loss from unamortized interests and expense of the CB put back. As a result, our annual net income has dropped to about USD13.7M. But as our revenue and operational income are both increasing, the over trend in 2018 should be positive.

Prospect for 2018
We expect to take delivery of 7~9 vessels in 2018. Presently we have been able to take advantage of favorable market condition and secure profitable employments. As the freight market is still maintaining a healthy upward trend, in general we expect a better operation result in 2018 compared to 2017 both in terms of revenue and margin.

With the mild recovery, we also expect to dispose some older vessels in an improved sale and purchase market when the price is more favorable to sellers.

Strategy
While the market rate is generally profitable, we would be looking at fixing for longer term charters to

ensure stable cash flow. As we routinely renew expiring contracts, we can still benefit if the market keeps the upward momentum.

We also aim to resume our investment in new building, in particular the environment friendly ships. With the relevant conventions coming into force, we expect there would be a gap in qualified new ships for a certain period of time and we want to ensure our competitive position. As the market recovers, the mildly increasing asset price has enabled the good shipyards to seek orders from close partners including Wisdom. And we can take advantage of our position to build at an early stage.

At the same time, we are also looking at selling our current ships as a part of fleet rejuvenation project. By doing so, we can rationalize our fleet size and composition as well as strengthening cash position and deleveraging to reduce interest rate risks.

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 recharter 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 drybulk 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 drybulk 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 newbuilding 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 2017 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 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2017 and 2016, 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 2017 and 2016, and their consolidated financial performance and cash flows for the years ended 31 December 2017 and 2016, 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 2017 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 2017 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.

23 February 2018
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 2017 and 2016

(All Amounts Expressed in US Dollars)

	Notes	31 December 2017	31 December 2016
ASSETS			
Cash and cash equivalents	6.1	$40,860,641	$32,603,818
Available-for-sale financial assets-current	6.3 & 8	1,028,103	5,368,010
Held to maturity financial assets-current	6.4 & 8	614,211	-
Accounts receivable, net	6.6	4,327,938	3,546,742
Accounts receivable-related parties	6.6&7	221,707	255,884
Other receivables	7	1,048,206	739,786
Inventories	6.7	3,893,003	3,544,442
Prepaid expenses	7	6,694,427	5,542,377
Other financial assets-current	6.1& 8	52,024,592	25,347,361
Other current assets	7	10,986,931	10,200,635
Total current assets		121,699,759	87,149,055
Held to maturity financial assets-noncurrent	6.4& 8	-	569,365
Hedge derivative financial assets-noncurrent	6.5	80,058	-
Investment accounted for using equity method	6.8	3,655,924	4,273,280
Property, plant and equipment	6.9 & 8	2,668,567,098	2,463,988,391
Deferred income tax assets	6.19	45,911	36,735
Other financial assets-noncurrent		8,378,150	8,049,468
Other noncurrent assets-other	6.10	52,888,711	91,797,735
Total noncurrent assets		2,733,615,852	2,568,714,974
TOTAL ASSETS		$2,855,315,611	$2,655,864,029

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 2017 and 2016
(All Amounts Expressed in US Dollars)

	Note	31 December 2017	31 December 2016
LIABILITIES			
Short-term borrowings	6.11	$44,399,387	$25,342,002
Financial liabilities at fair value through profit or loss -current	6.2& 6.12	3,009,409	2,771,935
Hedge derivative financial liabilities-current	6.5	986	-
Accounts payable		6,507,493	4,112,541
Accounts payable-related parties	7	-	3,335
Accrued expenses	7	20,700,562	19,412,964
Advance receipts		15,343,881	16,980,646
Other current liabilities-others	7	3,050,020	1,899,231
		93,011,738	70,522,654
Current portion of corporate bonds payable	6.12	10,773,060	74,568,868
Current portion of long-term borrowings	6.11	217,027,648	186,242,664
Current portion of long-term accounts payable	6.13	1,923,576	3,283,426
Current portion of lease payables	6.13	14,405,443	15,593,148
		244,129,727	279,688,106
Total current liabilities		337,141,465	350,210,760
Corporate bonds payable	6.12	43,041,562	11,951,781
Long-term borrowings	6.11	1,434,235,585	1,232,963,816
Deferred income tax liabilities	6.19	7,235	28,964
Long-term accounts payable	6.13	25,862,475	28,031,082
Long-term lease payables-noncurrent	6.13	59,378,089	46,577,216
Long-term accounts payable-related parties	7	74,736,418	90,932,264
Net defined benefit liabilities	6.14	129,315	127,258
Guarantee deposits received		415,162	-
Total non-current liabilities		1,637,805,841	1,410,612,381
TOTAL LIABILITIES		1,974,947,306	1,760,823,141
EQUITY	6.12&6.15		
Common stock		196,262,789	175,871,257
Capital surplus		52,804,122	64,554,101
Legal reserve		6,960	6,960
Unappropriated earnings		390,552,635	376,817,835
Cumulative translation adjustments		240,630,693	272,468,139
Unrealized gains or losses on available-for-sale financial assets		32,034	111,672
Effective portion of gains on hedging instrument in a cash flow hedge		79,072	1,626,743
Total equity attributable to equity holders of the Company		880,368,305	891,456,707
Non-controlling interest		-	3,584,181
TOTAL EQUITY		880,368,305	895,040,888
TOTAL EQUITY AND LIABILITIES		$2,855,315,611	$2,655,864,029

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 2017 and 2016

(All Amounts Expressed in US Dollars)

	Notes	2017	2016
Operating revenues	6.16& 7	$362,728,315	$331,004,781
Operating costs	6.17& 7	295,816,218	276,621,240
Gross profit from operations		66,912,097	54,383,541
Operating expenses	6.17& 7	5,264,619	4,753,075
Profit from operating activities		61,647,478	49,630,466
Interest income		531,612	682,960
Others income and gains	6.13& 9	3,229,356	42,840,445
Gain on disposal of investment	6.3,6.21&7	1,589,834	-
Gains (Losses) on valuation of financial instruments or liabilities at fair value through profit or loss	6.12	1,114,575	(2,005,318)
Interest expense	6.9, 6.12 & 7	(43,731,589)	(36,133,021)
Other expenses and losses	6.12 &7	(7,199,981)	(2,919,263)
Gains (Losses) on disposal of property, plant and equipment	6.9	(1,430,022)	846,550
Foreign exchange losses		(1,030,003)	(1,511,751)
Share of loss of associates and joint ventures accounted for using equity method	6.8	(953,371)	(8,126,797)
Total other income and losses		(47,879,589)	(6,326,195)
Profit before income tax		13,767,889	43,304,271
Income tax expense (income)	6.19	21,580	120,734
Profit for the year		13,746,309	43,183,537
Other comprehensive income:	6.18		
Remeasurement of defined benefit plan		2,832	(31,923)
Cumulative translation adjustments		(31,837,446)	(29,223,273)
Unrealized gains or losses on available-for-sale financial assets		(79,638)	111,672
Effective portion of gains (losses) on hedging instrument in a cash flow hedge		(1,547,671)	(16,551,319)
Other comprehensive income		(33,461,923)	(45,694,843)
Total comprehensive income		$(19,715,614)	$(2,511,306)
Profit for the year attributable to:			
-Owners of the Company		$13,731,968	$43,387,801
-Non-controlling interests		14,341	(204,264)
		$13,746,309	$43,183,537
Total Comprehensive income attributable to:			
-Owners of the Company		$(19,729,955)	$(2,307,042)
-Non-controlling interests		14,341	(204,264)
		$(19,715,614)	$(2,511,306)
Primary earnings per Share	6.20	$0.02	$0.08
Diluted earnings per Share	6.20	$0.02	$0.08

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 2017 and 2016
(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 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
Balance, 1 January 2017	$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
Cash dividends from capital surplus	-	(18,332,992)	-	-	-	-	-	(18,332,992)	-	(18,332,992)
Stock dividends from capital surplus	9,166,491	(9,166,491)	-	-	-	-	-	-	-	-
Profit for the year ended 31 December 2017	-	-	-	13,731,968	-	-	-	13,731,968	14,341	13,746,309
Other comprehensive income for the year ended 31 December 2017	-	-	-	2,832	(31,837,446)	(79,638)	(1,547,671)	(33,461,923)	-	(33,461,923)
Comprehensive income for the year ended 31 December 2017	-	-	-	13,734,800	(31,837,446)	(79,638)	(1,547,671)	(19,729,955)	14,341	(19,715,614)
Capital increase by cash	10,602,346	14,499,231	-	-	-	-	-	25,101,577	-	25,101,577
Exercise of convertible bonds	622,695	1,250,273	-	-	-	-	-	1,872,968	-	1,872,968
Non-controlling interest	-	-	-	-	-	-	-	-	(3,598,522)	(3,598,522)
Balance, 31 December 2017	$196,262,789	$52,804,122	$6,960	$390,552,635	$240,630,693	$32,034	$79,072	$880,368,305	$-	$880,368,305

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 2017 and 2016
(All Amounts Expressed in US Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	$13,767,889	$43,304,271
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expenses	130,052,693	122,852,665
Amortization expenses	11,077	8,837
Bad debt expenses	79,487	36,949
Losses (Gains) on financial assets or liabilities at fair value through profit or loss	(1,114,575)	2,896,514
Interest expense	43,731,589	36,133,021
Interest income	(531,612)	(682,960)
Losses (Gains) on foreign currency exchange on corporate bond payable	796,682	15,991
Losses (Gains) on derecognition of convertible bonds payable	4,462,107	-
Share of loss of associates and joint ventures accounted for using equity method	953,371	8,126,797
Losses (Gains) on disposal of property, plant and equipment	1,430,022	(846,550)
Unrealized losses (gains) on foreign exchange	-	(334,939)
Amortization of available-for-sale financial assets	(781)	(508)
Amortization of held to maturity financial assets	(44,846)	8,227
Amortization of convertible bonds payable issuance costs	149,691	362,927
Other income	(695,525)	(13,330,985)
Losses (Gains) on disposal of investment	(1,589,834)	-
Other item	204,757	2,220,910
Change in assets and liabilities		
Decrease (Increase) in accounts receivable	(922,542)	(2,244,291)
Decrease (Increase) in accounts receivable-related parties	34,177	(79,759)
Decrease (Increase) in other receivables	(272,086)	1,432,515
Decrease (Increase) in inventories	(495,626)	(879,057)
Decrease (Increase) in prepaid expenses	(1,230,645)	(114,010)
Decrease (Increase) in other current assets	(863,097)	(814,392)
Increase (Decrease) in accounts payable	2,394,952	869,286
Increase (Decrease) in accounts payable-related parties	(3,335)	(26,655)
Increase (Decrease) in accrued expenses	5,868,996	1,755,477
Increase (Decrease) in advance receipts	(940,755)	(1,329,918)
Increase (Decrease) in other current liabilities	1,274,079	1,201,107
Increase (Decrease) in net defined benefit liabilities	-	(145,814)
Cash generated from operating activities	196,506,310	200,395,656
Interest received	509,701	719,768
Interest paid	(44,191,100)	(32,155,456)
Income taxes paid	(122,769)	(29,727)
Net cash provided by operating activities	152,702,142	168,930,241
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	-	(994,780)
Proceeds from disposal of available-for-sale financial assets	4,818,555	-
Proceeds from derecognition of held-to-maturity financial assets	-	3,000,000
Proceeds from disposal of hedge derivative financial assets	55,161	5,000,066
Acquisition of investment accounted for using equity method	-	(12,403,101)
Acquisition of property, plant and equipment	(28,607,804)	(9,944,155)
Proceeds from disposal of property, plant and equipment	4,332,250	29,610,176
Decrease (Increase) in long-term lease receivable	-	1,117,616
Decrease (Increase) in other financial assets	(26,679,661)	(1,543,401)
Decrease (Increase) in other noncurrent assets (prepaid expenses-vessel)	(282,286,790)	(272,562,335)
Net cash used in investing activities	(328,368,289)	(258,719,914)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings	19,057,385	(713,660)
Issuance of bonds payable	39,266,924	-
Increase (Decrease) in long-term borrowings	203,969,219	30,560,426
Increase (Decrease) in lease payables	9,245,521	16,336,158
Increase (Decrease) in guarantee deposits received	415,163	-
Increase (Decrease) in other finance liabilities	(13,961,239)	18,432,281
Reimbursement for convertible bonds	(78,173,840)	-
Distribution of cash dividend	(18,332,992)	(39,537,270)
Increase in Cash Capital	24,882,601	35,289,039
Changes in non-controlling interests	(180,000)	(720,000)
Net cash provided by financing activities	186,188,742	59,646,974
FOREIGN EXCHANGE RATE EFFECTS	(2,265,772)	4,498,055
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,256,823	(25,644,644)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	32,603,818	58,248,462
CASH AND CASH EQUIVALENTS, END OF PERIOD	$40,860,641	$32,603,818

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

Annex III. Audit Committee Report on the review of the 2017 Financial Report

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二〇一七年度營業報告書、財務報表及盈餘分配之議案，其中財務報表業經委託安永聯合會計師事務所林麗凰、傅文芳會計師查核完竣，並出具查核報告。

上述營業報告書、財務報表及盈餘分配之議案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及中華民國公司法第二百一十九條之規定報告如上， 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 八 年 三 月 三 十 日

Annex IV. Comparison Table the Rules of Board Meetings

條次	修 正 後 條 文	修 正 前 條 文	修正理由
12、	下列事項應提本公司董事會討論： 一、本公司之營運計畫。 二、年度財務報告。 三、依證券交易法（下稱證交法）第十四條之一規定訂定或修訂內部控制制度，及內部控制制度有效性之考核。 四、依證交法第三十六條之一規定訂定或修正取得或處分資產、從事衍生性商品交易、資金貸與他人、為他人背書或提供保證之重大財務業務行為之處理程序。 五、募集、發行或私募具有股權性質之有價證券。 六、財務、會計或內部稽核主管之任免。 七、對關係人之捐贈或對非關係人之重大捐贈。但因重大天然災害所為急難救助之公益性質捐贈，得提下次董事會追認。 八、依證交法第十四條之三、其他依法令或章程規定應由股東會決議或董事會決議之事項或主管機關規定之重大事項。 前項第七款所稱關係人，指證券發行人財務報告編製準則所規範之關係人；所稱對非關係人之重大捐贈，指每筆捐贈金額或一年內累積對同一對象捐贈金額達新臺幣一億元以上，或達最近年度經會計師簽證之財務報告營業收入淨額百分之一或實收資本額百	下列事項應提本公司董事會討論： 一、本公司之營運計畫。 二、年度財務報告。 三、依證券交易法（下稱證交法）第十四條之一規定訂定或修訂內部控制制度。 四、依證交法第三十六條之一規定訂定或修正取得或處分資產、從事衍生性商品交易、資金貸與他人、為他人背書或提供保證之重大財務業務行為之處理程序。 五、募集、發行或私募具有股權性質之有價證券。 六、財務、會計或內部稽核主管之任免。 七、對關係人之捐贈或對非關係人之重大捐贈。但因重大天然災害所為急難救助之公益性質捐贈，得提下次董事會追認。 八、依證交法第十四條之三、其他依法令或章程規定應由股東會決議或董事會決議之事項或主管機關規定之重大事項。 前項第七款所稱關係人指證券發行人財務報告編製準則所規範之關係人；所稱對非關係人之重大捐贈，指每筆捐贈金額或一年內累積對同一對象捐贈金額達新臺幣一億元以上，或達最近年度經會計師簽證之財務報告營業收入淨額百分之一或實收資本額百分之五以上者。外國公司股票無面	配合「公開發行公司董事會議事辦法」第七條條文修正。

條次	修 正 **後** 條 文	修 正 **前** 條 文	修正理由
	分之五以上者。外國公司股票無面額或每股面額非屬新臺幣十元者，本項有關實收資本額百分之五之金額，以股東權益百分之二點五計算之。 前項所稱一年內，係以本次董事會召開日期為基準，往前追溯推算一年，已提董事會決議通過部分免再計入。 獨立董事應有至少一席獨立董事親自出度董事會；對於第一項應提董事會決議事項，應有全體獨立董事出席董事會，獨立董事如無法親自出席，應委由其他獨立董事代理出席。獨立董事如有反對或保留意見，應於董事會議事錄載明；如獨立董事不能親自出席董事會表達反對或保留意見者，除有正當理由外，應事先出具書面意見，並載明於董事會議事錄。	額或每股面額非屬新臺幣十元者，本項有關實收資本額百分之五之金額，以股東權益百分之二點五計算之。 前項所稱一年內係以本次董事會召開日期為基準，往前追溯推算一年，已提董事會決議通過部分免再計入。 獨立董事對於證交法第十四條之三應經董事會決議事項，獨立董事應親自出席或委由其他獨立董事代理出席。獨立董事如有反對或保留意見，應於董事會議事錄載明；如獨立董事不能親自出席董事會表達反對或保留意見者，除有正當理由外，應事先出具書面意見，並載明於董事會議事錄。	