

# Wisdom Marine Lines Co., Limited

## Agenda of 2021 Annual General Meeting

Date : May 21, 2021

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

106, Taiwan ( GIS NTU Convention Center )

### Notice to readers

*This English-version Agenda is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

## **Table of Contents**

|                                                                                   |           |
|-----------------------------------------------------------------------------------|-----------|
| 2021 Annual General Meeting Procedure.....                                        | 1         |
| 2021 Annual General Meeting Agenda.....                                           | 2         |
| <b>Reports</b>                                                                    | <b>3</b>  |
| <b>Proposals for Ratification.....</b>                                            | <b>4</b>  |
| <b>Proposals for Discussions .....</b>                                            | <b>6</b>  |
| <b>Proposals for Election .....</b>                                               | <b>8</b>  |
| <b>Others .....</b>                                                               | <b>11</b> |
| <b>Meeting Adjourned .....</b>                                                    | <b>11</b> |
| <b>Annex .....</b>                                                                | <b>12</b> |
| <b>Annex I. 2020 Management Report.....</b>                                       | <b>12</b> |
| <b>Annex II. Audit Report of Independent Auditors and 2020 Financial Report .</b> | <b>14</b> |
| <b>Annex III. Audit Committee Report on the review of the 2020 Financial</b>      |           |
| <b>Report .....</b>                                                               | <b>23</b> |
| <b>Annex IV. Comparison Table the Rules of Board Meetings .....</b>               | <b>24</b> |
| <b>Annex V. Comparison Table for the Proposed Amendments to the Existing</b>      |           |
| <b>Articles of Association .....</b>                                              | <b>25</b> |
| <b>Annex VI. Comparison Table for the amendments to the Rule of General</b>       |           |
| <b>Meeting .....</b>                                                              | <b>28</b> |
| <b>Annex VII. Rules of Board Meetings .....</b>                                   | <b>31</b> |
| <b>Annex VIII. Rules of General Meeting.....</b>                                  | <b>38</b> |
| <b>Annex IX. Procedures for the Election of Directors.....</b>                    | <b>47</b> |
| <b>Annex X. Memorandum and Articles of Association .....</b>                      | <b>51</b> |
| <b>Annex XI. Shareholdings of Directors.....</b>                                  | <b>98</b> |
| <b>Annex XII. Relevant Information on Proposals Made by Shareholders Holding</b>  |           |
| <b>1% or More of the Total Issued Shares of the Company .....</b>                 | <b>99</b> |

Wisdom Marine Lines Co., Limited

(the “**Company**” )

## 2021 Annual General Meeting Procedure

Call the Meeting to Order

Chairman’s Address

Reports

Proposals for Ratification

Proposals for Discussions

Proposals for Election

Others

Extemporaneous Motions

Meeting Adjourned

# Wisdom Marine Lines Co., Limited

## 2021 Annual General Meeting Agenda

Time : 10:00 a.m., Friday, May 21, 2021

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

### **I. Call the Meeting to Order**

### **II. Chairman's Address**

### **III. Reports**

1. 2020 Business Report
2. 2020 Financial Report
3. The Audit Committee Report on the Review of the 2020 Financial Report
4. 2020 Directors' Remuneration Report
5. Amendments to the Rules of Board Meetings

### **IV. Proposals for Ratification**

1. Recognition of 2020 Financial Report.
2. Recognition of 2020 Dividend Proposal.

### **V. Proposals for Discussions**

1. Amendment to Articles of Association
2. Amendments to the Rules of General Meeting
3. Distribution of Cash Dividends out of Capital Reserve

### **VI. Proposals for Election**

1. The Election for 6th Directors and Independent Directors

### **VII. Others**

1. Wavier of director's non-competition obligation

### **VIII. Extemporary Motions**

### **IX. Meeting Adjourned**

## Reports

### 1. 2020 Business Report

Explanatory Notes : Please refer to page 12(Annex I).

### 2. 2020 Financial Report

Explanatory Notes : Please refer to page 14 for the 2020 financial report and the audit report of Ernst & Young (Annex II).

### 3. The Audit Committee Report on the review of the 2020 Financial Report

Explanatory Notes : Please refer to page 23 for the Audit Committee Report on the review of the 2020 Financial Report (Annex III).

### 4. 2020 Directors' Remuneration Report

Explanatory Notes :

- (1) 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.
- (2) The Company proposed to distribute director reward of NTD 4,610,855 by cash.
- (3) The Remuneration Committee approved the proposed director reward at 4th Meeting of the 8th Remuneration Committee of the Company on March 26, 2021.

### 5. Amendments to the Rules of Board Meetings

Explanatory Notes :

- (1) In order to better comply with recent amendments to laws and regulations promulgated by the Taiwan Stock Exchange on June 3, 2020 per Letter No. 10900094681, the Company proposed to amend the Rules of Board Meetings.
- (2) Please refer to page 24 (Annex IV) for a comparison table for the amendments to the Rules of Board Meetings.

## Proposals for Ratification

### 1. Recognition of 2020 Financial Report

#### Explanatory Notes :

- (1) The financial report including consolidated results of the Company for 2020 (the “2020 Financial Report” ) has been audited by Ernst & Young and reviewed by the Audit Committee of the Company.
- (2) Please refer to page 14 (Annex II) for the 2020 Financial Report and the audit report of Ernst & Young.
- (3) The above is hereby proposed for recognition.

Resolution:

### 2. Recognition of 2020 Dividend Proposal

#### Explanatory Notes :

- (1) The Board of Directors of the Company (the “**Board**” ) has approved a dividend proposal of 2020 profit (the “**Dividend Proposal**” ) on March 26, 2021. The details of the proposed Dividend Proposal is set out as follows:

Wisdom Marine Lines Co., Ltd.

2020 Earning Distribution Table

Unit : NT\$

| Items                                   | Undistributed Earnings |
|-----------------------------------------|------------------------|
| 2019 Distributable Retained Earnings    | 16,050,228,766         |
| minus : 2020 Legal Reserve              | -                      |
| add : 2020 Net Income (Remarks 1)       | 111,414,333            |
| add : 2020 Other Income                 | (39,873)               |
| Total Distributable Earnings up to 2020 | 16,161,603,226         |
| Distributions :                         |                        |
| Cash dividends (NT\$0.2 per share)      | (149,281,840)          |
| Undistributed Earnings at End of 2020   | 16,012,321,386         |
| Remark 1: Equivalent to USD 3,780,602.  |                        |

- (2) The total amount of distributable retained earnings up to the year of 2020 was NT\$16,161,603,226. 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\$ 149,281,840 by declaring an annual ordinary share cash dividend (the “Cash Dividends”) of approximately NT\$0.2 per share. The total amount of undistributed earnings at the end of 2020 was NT\$16,012,321,386.
- (3) The aforementioned Cash Dividends will be distributed at NT\$200 per 1,000 shares to the nearest New Taiwan Dollars 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 person any amount remaining as result of rounding off the Cash Dividends.

- (4) 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.
- (5) 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.
- (6) The above is hereby proposed for recognition.

Resolution:

## **Proposals for Discussions**

### **1. Amendment to Articles of Association**

#### Explanatory Notes :

- (1) In order to better comply with recent amendments to laws and regulations promulgated by the Taiwan Stock Exchange on December 25, 2019 per Letter No. 10800235681, the Company proposed to amend its exiting Articles of Association.
- (2) Please refer to page 25 (Annex V) for the comparison table for the proposed amendments to the exiting Articles of Association.
- (3) The above is hereby proposed for resolution.

Resolution :

### **2. Amendments to the Rules of General Meeting**

#### Explanatory Notes :

- (1) In order to better comply with recent amendemnets to laws and regulations promulgated by the Taiwan Stock Exchange Corporation on June 3, 2020 per Letter No. 10900094681 and January 28, 2021 per Letter No. 10900094681, the Company proposed to amend the Rules of General Meeting.
- (2) Please refer to page 28 (Annex VI) for the comparison table for the amendments to the Rules of General Meeting.
- (3) The above is hereby proposed for resolution.

Resolution :

### **3. Distribution of Cash Dividends out of Capital Reserve**

#### Explanatory Notes :

- (1) It was approved by the Company's Board Meetings on March 26, 2021.
- (2) The total Capital Reserve from the issuance of shares at a premium in the 2020 Financial Report is NT\$631,675,986. 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\$ 597,127,359 out of Capital Reserve by declaring an annual ordinary share cash dividend (the "Cash Dividends") of approximately NT\$0.8 per share, and (the "Dividend Ratio"), leaving a total of NT\$34,548,627 in Capital Reserve after the distribution of the Cash Dividends.
- (3) The aforementioned Cash Dividends will be distributed at NT\$800 per

1,000 shares to the nearest New Taiwan Dollars 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 person any amount remaining as result of rounding off the Cash Dividends.

- (4) 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.
- (5) 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.
- (6) The above is hereby proposed for resolution.

Resolution :

## Proposals for Election

### 1. The Election for the Fifth Board of Directors

#### Explanatory Notes :

- (1) The Directors' term will end on May 24, 2021; 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 21, 2021 to May 20, 2024 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 26, 2021:

#### 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<br>- President, First Steamship Group | - Chairman, Wisdom Marine Lines Co., Ltd.<br>- Chairman, Wisdom Marine Agency Co., Ltd.<br>- Chairman, Brave Line<br>- Chairman, DNV GL(Taiwan) | 202,478,349 |
| Chao, Tzu-Lung                                                     | - BA in Economics& Biology, University of Maryland (U.S.A.)     | - William&Associates, CPA                                                       | - Director and Vice President of Business and Operation<br>- Department, Wisdom Marine Lines                                                    | 617,974     |
| Fukui Masayuki                                                     | - BA in Business Administration, Chapman College(U.S.A.)        | - Tokyo Freighting, Ltd shipbroker<br>- Partner, Yoko Senpaku Co.               | - Director, Wisdom Marine Lines Co., Ltd.<br>- Founder and President, Yoko Co., Ltd.                                                            | 1,666,990   |
| Jinzhou Investment Co., Ltd.<br>(representative: Chen, Ming-Shang) | - BA in City Administration, Chinese Culture University(Taiwan) | - Sales Manager, Jardine Matheson Ltd                                           | - President, Prime Maritime Agency Co.,Ltd                                                                                                      | 1,507,519   |

**List of Independent Director Candidates :**

| <b>Name</b>    | <b>Academic Background</b>                                                                                                                                                                                                                                                                    | <b>Experience</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Current Position</b>                                                                                                                                                                                                                              | <b>Shares held</b> |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Lin,Tse-Chun   | <ul style="list-style-type: none"> <li>- Ph.D in Finance, Finance Group, University of Amsterdam</li> <li>- M.Phil in Economics, Tinbergen Institute</li> <li>- MBA in International Business, National Chengchi University</li> <li>- BA in Economics, National Taiwan University</li> </ul> | <ul style="list-style-type: none"> <li>- Associate Professor of Finance, Faculty of Business and Economics, University of Hong Kong</li> <li>- Assistant Professor of Finance, Faculty of Business and Economics, University of Hong Kong</li> </ul>                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Professor of Finance, Faculty of Business and Economics, University of Hong Kong</li> <li>- Director of Finance, Faculty of Business and Economics, University of Hong Kong</li> </ul>                      | 0                  |
| Chiu,Yung-Ho   | <ul style="list-style-type: none"> <li>- Ph.D in Economics from University of Mississippi USA</li> <li>- Master in Economics from Soochow University</li> <li>- Bachelor in Economics from FengChia University</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>- Vice Chairperson &amp; Spokesman, Fair Trade Commission, ROC</li> <li>- Dean of Office of Academic Affairs, Soochow University</li> <li>- Director, First Commercial Bank</li> <li>- Member of Remuneration Committee, Teco Electric and Machinery Co., Ltd</li> <li>- Director, Chenfull International Co., Ltd</li> </ul>                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Professor of Department of Economics, Soochow University</li> <li>- Chairman, Multi-Level Marketing Protection Foundation</li> </ul>                                                                        | 0                  |
| Liu,Tsai-Ching | <ul style="list-style-type: none"> <li>- Ph.D of Department of Economics, University of North Carolina at Chapel Hill, USA</li> <li>- BA Department of Economics, National Chung Hsing University</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>- Director, Taiwan Insurance Guaranty Fund</li> <li>- Director, Global Link Securities</li> <li>- Chairman and President, Department of Public Finance, National Taipei University</li> <li>- Director, Public Finance and Finance Research Center</li> <li>- Convener and Members of the Board of Examiners, special examination, Ministry of Examination</li> <li>- Associate Professor, Department of Accounting, National Chung Hsing University</li> <li>- Associate Professor, Department of ECONOMICS, Tamkang University</li> </ul> | <ul style="list-style-type: none"> <li>- Professor, National Taipei University</li> <li>- Director, Taiwan Stock Exchange</li> <li>- Vice Chairman, Committee on Taxation and Financial Policy, Chinese National Federation of Industries</li> </ul> | 0                  |

| Name           | Academic Background                                                                                                                                                                                                                                 | Experience                                                                                                                                                                                                                                                                                                                                                                     | Current Position                                                                                                                                                                                                                                               | Shares held |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Maa, Kwo-Juh   | <ul style="list-style-type: none"> <li>- Graduate School in Accounting, National Chengchi University</li> </ul>                                                                                                                                     | <ul style="list-style-type: none"> <li>- Deputy Director, KPMG(Taiwan)</li> <li>- CEO, KPMG(Taiwan)</li> <li>- Chairman and CEO, KPMG(Taiwan)</li> </ul>                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>- Chairman , Association of Corporate Governance Professionals</li> <li>- Professor of Department of Law, National Chengchi University</li> <li>- Professor of Department of Law, National Taiwan University</li> </ul> | 0           |
| Chen, Ching-Yi | <ul style="list-style-type: none"> <li>- Bachelor of Department of Law, National Taiwan University</li> <li>- Master of Department of Law, National Taiwan University</li> <li>- Doctor of Department of Law, National Taiwan University</li> </ul> | <ul style="list-style-type: none"> <li>- No.37 of Training Institute for Judges and Prosecutors</li> <li>- Judge, Taiwan High Court</li> <li>- Presiding judge of First Civil Division, Taiwan Taoyuan District Court</li> <li>- Judge, Taiwan Taoyuan District Court</li> <li>- Members of Sexual Harassment Investigation Committee, Ministry of National Defense</li> </ul> | <ul style="list-style-type: none"> <li>- Lawyer</li> <li>- Arbitrator</li> <li>- Members of the legal Rights Protection Commission of Military Forces</li> <li>- Members of Human Rights Working Subcommittee, Ministry of National Defense</li> </ul>         | 0           |

## Others

### 1. 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<br>Non-Competition Obligation                      |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------|
| Lan, Chun-Sheng                                                       | Chairman of Wisdom Shipping Agency Co.,Ltd<br>Director of Pa-Li Co.,Ltd |
| Chao, Tzu-Lung                                                        | Supervisor of Tun-Lien Shipping Agency Co.,Ltd                          |
| Fukui Masayuki                                                        | Yoko Co., Ltd. President                                                |
| Jinzhou Investment Co., Ltd.<br>(representative:<br>Chen, Ming-Shang) | Chairman of Chien-Hang Shipping Agency Co.,Ltd                          |

- (3) The above is hereby proposed for resolution.

Resolution :

## Meeting Adjourned

## **Annex**

### **Annex I. 2020 Management Report**

#### **Wisdom Marine Lines Co., Ltd. 2020 Management Report**

##### **I. External Environment**

In 2020, the coronavirus spread across the globe, and wreaked havoc on both supply and demand sides of shipping. Before the scope of the pandemic became clear, governments imposed traffic restrictions in an attempt to keep the virus at bay. Most trading and shipping company owners opted to wait and see, while the demand for dry bulk shipping sustained a greater impact. Therefore, the dry bulk shipping market stagnated in the first half year, which in turn affected chartering and ship purchases and sales. However, a shrinking global economy and low oil prices made it easier to switch relatively smoothly to low sulphur fuels.

In the second half year, the countries became able to counter more effectively the effects of the pandemic on economic activities. Previously suspended investing and manufacturing activities started to resume. Therefore, the dry bulk shipping market started recovering in the second half year, especially in time charters and freight futures. The overall Baltic Dry Index (BDI) has not returned to the level in 2019. However, a steadily recovering market sends a positive signal to dry bulk shipping companies. The rising demand for container transportation in the fourth quarter can be considered a sign of economic activities recovering from the shock of the pandemic. Meanwhile, more ship purchases and sales were showing up in the market.

While the dry bulk shipping market had started recovering in the second half of 2020, newbuilding investment remained relatively low. The total number of newbuilding orders was below the level in 2019 for all types of ships. Given the pressure to replace old ships aged 20 years or more, the possibility of a supply shortage remains in the dry bulk shipping market. Moreover, the United Nations is not putting any hold on shipping related environmental regulations because of the pandemic. Carbon reduction requirements may raise the operating costs for old ships even higher in the next three to five years. Therefore, supply and demand of dry bulk shipping will continue to provide basic support for freight in the medium term.

##### **II. 2020 Business Results**

In 2020, we had 8 newbuild ships and 1 fewer ship under management. The number of ships in our fleet underwent a net increase of 7, and the total number of ships in our fleet was 136 at the end of the year.

We had intended to take advantage of the supply-demand mismatch to increase profits in 2020. Therefore, the number of ships with contract renewal and index linked rent was higher in the first quarter compared to previous years. However, COVID-19 created unanticipated volatility in the market.

Having sustained larger market volatility, neither of our revenue and profit performed well in the first half year. Fortunately, the average gross profit margin on newbuilding stayed close to 40%, which was a significant contribution to the overall profit margin. The economy started to recover in the second half year, and we adopted more conservative business strategies. As a result, profits showed slight increases, and the gross profit margin rose from 7.64% in the first half year to 19.07% in the second half year. The gross profit margin was 13.88% for the year. The total revenue was US\$405.1 million, 9.47% lower compared to the previous year.

In terms of nonoperating income, we had little nonoperating income in 2020. However, the interest expenses fell by US\$16.1 million compared to the previous year, and the foreign exchange loss was recognized at US\$8.3 million due to appreciation of the Japanese yen. The net operating profit was US\$51 million for the year, and the net income after tax was US\$4 million.

Furthermore, to counter the uncertainties created by the coronavirus and the cash flow pressure created by suspension of asset disposal, we were fortunate to have the support of several major banks with whom we had a business relationship and been granted suspension of repayments, change of interest rates, and cash issues in mid-year. These measures were intended to strengthen our financial stability amid market changes.

### **III. 2021 Business Plan**

We expect to have 7 more newbuild ships delivered in 2021. They include 2 kamsarmax, 1 supramax, 3 handysize, and 1 liquefied petroleum gas ship. All are built by first class Japanese builders, such as Imabari, JMU, Namura, Tsuneishi, Onomichi, and Murahide. These newbuild ships include 3 environmentally friendly vessels that comply with the Tier III NOx emission standards.

Given the market is on track for a steady recovery, a reasonable profit margin is still ensured for most time charters. We will continue to seek opportunities in working with long-term customers gradually in newbuild ships and contract renewal. The goal is to increase profits steadily as the market recovers. In addition, we will lock in index linked rents at appropriate timing to ensure stable cash flows.

Furthermore, the ship disposal plans suspended due to the pandemic in 2020 can be expected to resume in 2021 in order to increase efficiency for the entire fleet and keep improving our financial structure. Meanwhile, we will follow changes in the laws and regulations closely in order to re-evaluate our capital expenditure plans and ensure we have an environmentally friendly and energy saving fleet that is healthy and competitive.

Chairman James Lan

## **Annex II. Audit Report of Independent Auditors and 2020 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 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2020 and 2019, 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 2020 and 2019, and their consolidated financial performance and cash flows for the years ended 31 December 2020 and 2019, 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 2020 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.

#### Revenue recognition

Hire revenues amounted to \$379,014,925 for the year ended 31 December 2020, accounting for 94% of operating revenues, which is significant to the consolidated financial statements. Therefore, we have determined the validity of hire revenue as a key audit matter. The audit procedures we conducted regarding the hire revenue recognition included but not limited to the following: understanding the design and implementation of internal controls with regard to hire revenue recognition in order to design relevant internal control audit procedures in response to the validity of hire revenue so as to verify the effectiveness of the design and implementation of the Group's internal controls; selecting samples from the population of hire revenues to perform tests of control and tests of details; examining lease contracts, debit notes, bank statements and remittances to ensure whether recognition of hire revenues are in accordance with contract terms and remitters are consistent with the counterparty of the lease contracts, performing confirmations of lease contracts to verify existence of lessees and validity of contract terms; analyzing variances in hire revenues and fluctuations in gross margin and assessing the reasonable. We also evaluated the disclosure regarding revenue recognition in Notes 4 and 6 of the consolidated financial statements.

#### Impairment of property, plant and equipment

As at 31 December 2020, the amount of the Group's property, plant and equipment was \$2,612,894,085, which accounted for 89% of total assets. 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 assessing the reasonableness of managements identification of indicators of impairment and the assumptions used, including identification of CGU, estimation of cash flows and discount rate. We also evaluated the disclosure regarding property, plant and equipment in Notes 4, 5 and 6 of the consolidated financial statements.

#### **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, 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 2020 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.

Lin, Li Huang  
Lu, Chian Uen  
Ernst & Young, Taiwan  
26 February 2021

#### Notice to Readers

The accompanying consolidated financial statements are intended only to present the 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2020 and 2019

(All Amounts Expressed in US Dollars)

|                                                                           | Notes         | 31 December 2020 | 31 December 2019 |
|---------------------------------------------------------------------------|---------------|------------------|------------------|
| <b>ASSETS</b>                                                             |               |                  |                  |
| Cash and cash equivalents                                                 | 6.1           | \$20,895,280     | \$63,589,694     |
| Current financial assets at fair value through other comprehensive income | 6.3 & 8       | 1,685,039        | 1,004,550        |
| Current contract assets                                                   | 6.15          | -                | 18,147           |
| Accounts receivable, net                                                  | 6.4 & 6.16    | 5,070,695        | 5,965,627        |
| Accounts receivable due from related parties, net                         | 6.4, 6.16 & 7 | 412,739          | 392,537          |
| Other receivables                                                         | 7             | 3,092,745        | 4,384,142        |
| Inventories                                                               | 6.5           | 10,517,805       | 6,278,542        |
| Prepayments                                                               | 7             | 5,928,880        | 7,108,312        |
| Other current financial assets                                            | 6.1 & 8       | 58,438,469       | 62,736,605       |
| Other current assets                                                      | 7             | 18,293,713       | 19,860,599       |
| Total current assets                                                      |               | 124,335,365      | 171,338,755      |
| Investments accounted for using the equity method                         | 6.6           | 8,561,823        | 3,418,510        |
| Property, plant and equipment                                             | 6.7 & 8       | 2,612,894,085    | 2,507,936,429    |
| Right-of-use assets                                                       | 6.12 & 7      | 126,269,568      | 135,745,985      |
| Investment property, net                                                  | 6.8 & 8       | 2,599,070        | 5,786,221        |
| Deferred tax assets                                                       | 6.20          | 136,498          | 68,251           |
| Guarantee deposits paid                                                   |               | 11,902,138       | 11,265,677       |
| Other non-current assets                                                  | 6.9           | 46,098,420       | 62,961,204       |
| Total non-current assets                                                  |               | 2,808,461,602    | 2,727,182,277    |
| TOTAL ASSETS                                                              |               | \$2,932,796,967  | \$2,898,521,032  |

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS(CONT'D)

31 December 2020 and 2019

(All Amounts Expressed in US Dollars)

|                                                                                                           | Note       | 31 December 2020       | 31 December 2019       |
|-----------------------------------------------------------------------------------------------------------|------------|------------------------|------------------------|
| <b>LIABILITIES</b>                                                                                        |            |                        |                        |
| Short-term borrowings                                                                                     | 6.10       | \$73,669,964           | \$58,124,642           |
| Current financial liabilities at fair value through profit or loss                                        | 6.2 & 6.11 | -                      | 1,747,889              |
| Current contract liabilities                                                                              | 6.15       | 30,446                 | 91,319                 |
| Accounts payable                                                                                          |            | 12,496,823             | 8,224,101              |
| Accounts payable to related parties                                                                       | 7          | 580,114                | 329,500                |
| Other accrued expenses                                                                                    | 7          | 21,445,966             | 24,329,745             |
| Advance receipts                                                                                          |            | 20,924,645             | 17,732,206             |
| Other current liabilities                                                                                 |            | 123,867                | 766,670                |
|                                                                                                           |            | <u>129,271,825</u>     | <u>111,346,072</u>     |
| Current lease liabilities                                                                                 | 6.12 & 7   | 14,011,443             | 13,843,870             |
| Bonds payable, current portion                                                                            | 6.11       | -                      | 21,285,376             |
| Long-term borrowings, current portion                                                                     | 6.10       | 178,613,676            | 365,152,587            |
| Long-term accounts payable, current portion                                                               |            | 3,163,612              | 552,283                |
| Long-term accounts payable to related parties, current portion                                            | 6.12 & 7   | 1,122,219              | 1,065,096              |
|                                                                                                           |            | <u>196,910,950</u>     | <u>401,899,212</u>     |
| Total current liabilities                                                                                 |            | <u>326,182,775</u>     | <u>513,245,284</u>     |
|                                                                                                           |            |                        |                        |
| Bonds payable                                                                                             | 6.11       | 48,778,634             | 45,577,466             |
| Non-current portion of long-term borrowings                                                               | 6.10       | 1,311,576,937          | 1,101,182,444          |
| Deferred tax liabilities                                                                                  | 6.20       | 47,709                 | 9,963                  |
| Non-current lease liabilities                                                                             | 6.12 & 7   | 110,245,615            | 118,452,736            |
| Long-term accounts payable                                                                                |            | 37,141,208             | 18,539,396             |
| Long-term accounts payable to related parties                                                             | 6.12 & 7   | 152,743,197            | 123,893,242            |
| Net defined benefit liability, non-current                                                                | 6.13       | 153,961                | 148,212                |
| Guarantee deposits received                                                                               | 7          | 3,000,384              | 31,970                 |
| Total non-current liabilities                                                                             |            | <u>1,663,687,645</u>   | <u>1,407,835,429</u>   |
| TOTAL LIABILITIES                                                                                         |            | <u>1,989,870,420</u>   | <u>1,921,080,713</u>   |
|                                                                                                           |            |                        |                        |
| <b>EQUITY</b>                                                                                             |            | 6.11 & 6.14            |                        |
| Common stock                                                                                              |            | 238,739,686            | 219,596,023            |
| Capital surplus                                                                                           |            | 19,899,726             | 45,042,948             |
| Legal reserve                                                                                             |            | 6,960                  | 6,960                  |
| Unappropriated retained earnings                                                                          |            | 525,443,419            | 521,664,170            |
| Exchange differences on translation of foreign financial statements                                       |            | 158,789,935            | 191,123,299            |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income |            | 46,821                 | 6,919                  |
| TOTAL EQUITY                                                                                              |            | <u>942,926,547</u>     | <u>977,440,319</u>     |
| TOTAL LIABILITIES AND EQUITY                                                                              |            | <u>\$2,932,796,967</u> | <u>\$2,898,521,032</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 2020 and 2019  
(All Amounts Expressed in US Dollars)

|                                                                                                                          | Notes               | 2020           | 2019          |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|---------------|
| Operating revenue                                                                                                        | 6.15 & 7            | \$405,138,553  | \$447,510,914 |
| Operating costs                                                                                                          | 6.17 & 7            | 348,903,801    | 332,036,438   |
| Gross profit from operations                                                                                             |                     | 56,234,752     | 115,474,476   |
| Operating expenses                                                                                                       |                     |                |               |
| Administrative expenses                                                                                                  | 7                   | 5,192,335      | 4,843,495     |
| Expected credit losses (gains)                                                                                           | 6.16                | 210,445        | 385,143       |
| Total operating expenses                                                                                                 |                     | 5,402,780      | 5,228,638     |
| Net operating income                                                                                                     |                     | 50,831,972     | 110,245,838   |
| Non-operating income and expenses                                                                                        |                     |                |               |
| Interest income                                                                                                          | 6.18                | 650,663        | 1,361,284     |
| Other income, others                                                                                                     | 6.18                | 342,798        | 24,982,633    |
| Gains (losses) on disposal of property, plant and equipment                                                              | 6.7, 6.18 & 7       | -              | 3,234,229     |
| Gains (losses) on financial assets or liabilities at fair value through profit or loss                                   | 6.11 & 6.18         | 1,744,862      | (1,133,109)   |
| Miscellaneous expenses                                                                                                   | 6.18 & 7            | (2,274,982)    | (2,319,689)   |
| Profit (losses) from lease modification                                                                                  | 6.18                | (8,018)        | (1,665,366)   |
| Foreign exchange gains (losses)                                                                                          | 6.18                | (8,307,008)    | (2,398,502)   |
| Impairment loss                                                                                                          | 6.7 & 6.18          | -              | (938,147)     |
| Gains (losses) on hedging instruments                                                                                    | 6.18                | -              | 16,438        |
| Interest expense                                                                                                         | 6.7, 6.11, 6.18 & 7 | (42,669,511)   | (58,753,198)  |
| Share of profit (loss) of associates and joint ventures accounted for using the equity method                            | 6.6                 | 4,007,475      | (944,143)     |
| Total non-operating income and expenses                                                                                  |                     | (46,513,721)   | (38,557,570)  |
| Profit from continuing operations before tax                                                                             |                     | 4,318,251      | 71,688,268    |
| Income tax expense                                                                                                       | 6.20                | 537,649        | 564,340       |
| Profit                                                                                                                   |                     | 3,780,602      | 71,123,928    |
| Other comprehensive income (loss):                                                                                       | 6.19                |                |               |
| Components of other comprehensive income that will not be reclassified to profit or loss                                 |                     |                |               |
| Remeasurement of defined benefit plans                                                                                   |                     | (1,691)        | (13,696)      |
| Income tax (benefit) expense relating to items that will not be reclassified                                             |                     | (338)          | (2,739)       |
| Components of other comprehensive income that will be reclassified to profit or loss                                     |                     |                |               |
| Exchange differences on translation of foreign financial statements                                                      |                     | (32,333,364)   | (32,341,441)  |
| Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income |                     | 39,902         | 37,769        |
| Gains (losses) from hedging instruments                                                                                  |                     | -              | (149,271)     |
| Other comprehensive income (loss), net                                                                                   |                     | (32,294,815)   | (32,463,900)  |
| Total comprehensive income (loss)                                                                                        |                     | \$(28,514,213) | \$38,660,028  |
| Profit for the year attributable to:                                                                                     |                     |                |               |
| Profit attributable to owners of parent                                                                                  |                     | \$3,780,602    | \$71,123,928  |
| Total comprehensive income attributable to:                                                                              |                     |                |               |
| Comprehensive income attributable to owners of parent                                                                    |                     | \$(28,514,213) | \$38,660,028  |
| Basic earnings per share                                                                                                 | 6.21                | \$0.01         | \$0.11        |
| Diluted earnings per share                                                                                               | 6.21                | \$0.00         | \$0.10        |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2020 and 2019  
(All Amounts Expressed in US Dollars)

|                                                                       | Total retained earnings |                 |               |                                  | Total other equity interest                                         |                                                                                                |                                       |               |
|-----------------------------------------------------------------------|-------------------------|-----------------|---------------|----------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
|                                                                       | Common stock            | Capital surplus | Legal reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets at fair value through other comprehensive income | Gains (losses) on hedging instruments | Total         |
| Balance, 1 January 2019                                               | \$200,501,836           | \$40,456,716    | \$6,960       | \$450,551,199                    | \$223,464,740                                                       | \$(30,850)                                                                                     | \$149,271                             | \$915,099,872 |
| Cash dividends distributed from capital surplus                       | -                       | (30,503,157)    | -             | -                                | -                                                                   | -                                                                                              | -                                     | (30,503,157)  |
| Profit for the year ended 31 December 2019                            | -                       | -               | -             | 71,123,928                       | -                                                                   | -                                                                                              | -                                     | 71,123,928    |
| Other comprehensive income (loss) for the year ended 31 December 2019 | -                       | -               | -             | (10,957)                         | (32,341,441)                                                        | 37,769                                                                                         | (149,271)                             | (32,463,900)  |
| Total comprehensive income (loss) for the year ended 31 December 2019 | -                       | -               | -             | 71,112,971                       | (32,341,441)                                                        | 37,769                                                                                         | (149,271)                             | 38,660,028    |
| Issuance of common stock for cash                                     | 12,891,582              | 22,401,986      | -             | -                                | -                                                                   | -                                                                                              | -                                     | 35,293,568    |
| Conversion of convertible bonds                                       | 6,202,605               | 12,687,403      | -             | -                                | -                                                                   | -                                                                                              | -                                     | 18,890,008    |
| Balance, 31 December 2019                                             | \$219,596,023           | \$45,042,948    | \$6,960       | \$521,664,170                    | \$191,123,299                                                       | \$6,919                                                                                        | \$-                                   | \$977,440,319 |
| Balance, 1 January 2020                                               | \$219,596,023           | \$45,042,948    | \$6,960       | \$521,664,170                    | \$191,123,299                                                       | \$6,919                                                                                        | \$-                                   | \$977,440,319 |
| Cash dividends distributed from capital surplus                       | -                       | (34,475,074)    | -             | -                                | -                                                                   | -                                                                                              | -                                     | (34,475,074)  |
| Stock dividends from capital surplus                                  | 5,745,838               | (5,745,838)     | -             | -                                | -                                                                   | -                                                                                              | -                                     | -             |
| Profit for the year ended 31 December 2020                            | -                       | -               | -             | 3,780,602                        | -                                                                   | -                                                                                              | -                                     | 3,780,602     |
| Other comprehensive income (loss) for the year ended 31 December 2020 | -                       | -               | -             | (1,353)                          | (32,333,364)                                                        | 39,902                                                                                         | -                                     | (32,294,815)  |
| Total comprehensive income (loss) for the year ended 31 December 2020 | -                       | -               | -             | 3,779,249                        | (32,333,364)                                                        | 39,902                                                                                         | -                                     | (28,514,213)  |
| Issuance of common stock for cash                                     | 13,373,454              | 15,035,951      | -             | -                                | -                                                                   | -                                                                                              | -                                     | 28,409,405    |
| Conversion of convertible bonds                                       | 24,371                  | 41,739          | -             | -                                | -                                                                   | -                                                                                              | -                                     | 66,110        |
| Balance, 31 December 2020                                             | \$238,739,686           | \$19,899,726    | \$6,960       | \$525,443,419                    | \$158,789,935                                                       | \$46,821                                                                                       | \$-                                   | \$942,926,547 |

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 2020 and 2019  
(All Amounts Expressed in US Dollars)

|                                                                                            | 2020                | 2019                |
|--------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                |                     |                     |
| Profit from continuing operations before tax                                               | \$4,318,251         | \$71,688,268        |
| Adjustments to reconcile profit:                                                           |                     |                     |
| Depreciation expense                                                                       | 150,746,172         | 146,708,348         |
| Amortization expense                                                                       | 14,884              | 13,334              |
| Expected credit losses (gains)                                                             | 210,445             | 385,143             |
| Net losses (gains) on financial assets or liabilities at fair value through profit or loss | (1,744,862)         | 1,179,330           |
| Interest expense                                                                           | 42,669,511          | 58,753,198          |
| Interest income                                                                            | (650,663)           | (1,361,284)         |
| Effect of exchange rate changes of bonds payable                                           | 3,632,975           | 1,536,500           |
| Share of loss (profit) of associates and joint ventures accounted for using equity method  | (4,007,475)         | 944,143             |
| Losses (gains) on disposal of property, plant and equipment                                | -                   | (3,234,229)         |
| Amortization of financial assets at fair value through other comprehensive income          | (2,695)             | (781)               |
| Amortization of issuance costs of convertible bonds payable                                | 5,719               | 19,603              |
| Unrealized foreign exchange losses (gains)                                                 | 1,704,116           | (194,075)           |
| Other adjustments to reconcile profit                                                      | 2,837,591           | 1,793,943           |
| Changes in operating assets and liabilities:                                               |                     |                     |
| Decrease (increase) in contract assets                                                     | 18,147              | (5,548)             |
| Decrease (increase) in accounts receivable                                                 | 684,487             | 722,519             |
| Decrease (increase) in accounts receivable due from related parties                        | (20,202)            | (92,895)            |
| Decrease (increase) in other receivables                                                   | 1,169,118           | (1,069,906)         |
| Decrease (increase) in inventories                                                         | (4,747,370)         | (2,034,790)         |
| Decrease (increase) in prepayments                                                         | 1,179,432           | (703,393)           |
| Decrease (increase) in other current assets                                                | 1,566,886           | (4,941,880)         |
| Increase (decrease) in contract liabilities                                                | (60,873)            | 91,319              |
| Increase (decrease) in accounts payable                                                    | 4,272,722           | (1,548,956)         |
| Increase (decrease) in accounts payable to related parties                                 | 250,614             | (35,500)            |
| Increase (decrease) in accrued expenses                                                    | (843,609)           | (549,102)           |
| Increase (decrease) in advance receipts                                                    | 3,192,439           | 3,504,032           |
| Increase (decrease) in other current liabilities                                           | (642,803)           | (1,824,122)         |
| Cash inflow generated from operations                                                      | 205,752,957         | 269,743,219         |
| Interest received                                                                          | 787,858             | 1,301,223           |
| Interest paid                                                                              | (44,419,740)        | (58,588,832)        |
| Income taxes paid                                                                          | (576,898)           | (713,817)           |
| Net cash generated from operating activities                                               | 161,544,177         | 211,741,793         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                |                     |                     |
| Acquisition of financial assets at fair value through other comprehensive income           | (578,211)           | -                   |
| Proceeds from disposal of financial assets for hedging                                     | -                   | 67,414              |
| Acquisition of investments accounted for using the equity method                           | (711,744)           | (1,467,645)         |
| Acquisition of property, plant and equipment                                               | (26,059,408)        | (27,989,170)        |
| Proceeds from disposal of property, plant and equipment                                    | -                   | 57,712,541          |
| Decrease (increase) in guarantee deposits paid                                             | (34,129)            | (372)               |
| Acquisition of right-of-use assets                                                         | (594,120)           | (915,641)           |
| Acquisition of investment property                                                         | -                   | (5,623,907)         |
| Decrease (increase) in other financial assets                                              | 4,298,136           | (15,418,521)        |
| Decrease (increase) in other non-current assets (prepayment for vessels)                   | (198,411,250)       | (74,363,340)        |
| Net cash used in investing activities                                                      | (222,090,726)       | (67,998,641)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                |                     |                     |
| Increase (decrease) in short-term borrowings                                               | 14,853,642          | 7,387,089           |
| Proceeds from issuance of corporate bonds                                                  | -                   | 44,120,862          |
| Repayments of bonds                                                                        | (22,323,261)        | -                   |
| Increase (decrease) in long-term borrowings                                                | (5,565,561)         | (170,225,997)       |
| Increase (decrease) in guarantee deposits received                                         | 2,967,844           | (259,313)           |
| Repayments of the principal portion of lease liabilities                                   | (13,811,136)        | (10,641,545)        |
| Increase (decrease) in other financial liabilities                                         | 48,035,487          | 19,852,387          |
| Distribution of cash dividend                                                              | (34,475,074)        | (30,503,157)        |
| Proceeds from issuing shares                                                               | 28,316,726          | 35,159,016          |
| Net cash generated from (used in) financing activities                                     | 17,998,667          | (105,110,658)       |
| Effect of exchange rate changes on cash and cash equivalents                               | (146,532)           | (987,185)           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                | <b>(42,694,414)</b> | <b>37,645,309</b>   |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>                                      | <b>63,589,694</b>   | <b>25,944,385</b>   |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>                                            | <b>\$20,895,280</b> | <b>\$63,589,694</b> |

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

### **Annex III. Audit Committee Report on the review of the 2020 Financial Report**

## **Wisdom Marine Lines Co., Limited**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements and proposal for distribution of 2020 earnings. Of which, the Financial Statements have been audited by Lin, Li Huang and Lu, Chian Uen, Ernst & Young, Taiwan.

The 2020 Business Report, Financial Statements and proposal for distribution of 2020 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please review.

To

The 2021 Annual General Meeting

Wisdom Marine Lines Co., Limited

Chairman of the the Audit Committee : Tu, Neng-Mo

On the date of March 26, 2021

#### Annex IV. Comparison Table the Rules of Board Meetings

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                            | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                         | Reason                                                                                                                                                                      |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11             | <p>(Item 1 ~ 2 Omitted)</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 8, paragraph <u>5</u> of the preceding article shall apply mutatis mutandis.</p> | <p>(Item 1 ~ 2 Omitted)</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 8, paragraph <u>3</u> of the preceding article shall apply mutatis mutandis.</p> | Allow item adjustments.                                                                                                                                                     |
| 15             | <p>(Item 1 ~ 2 Omitted)</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph <u>4</u> of that Act, apply to resolutions of board of directors meetings when a board director is prohibited from exercising voting rights.</p>                                                                                                                    | <p>(Item 1 ~ 2 Omitted)</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph <u>3</u> of that Act, apply to resolutions of board of directors meetings when a board director is prohibited <u>by the preceding paragraph</u> from exercising voting rights.</p>                                                                                  | In line with the Article 180, paragraph 3 of the Company Act, the paragraph 2 was added, the original paragraph 2 was adjusted to the paragraph 3 and the text was revised. |

**Annex V. Comparison Table for the Proposed Amendments to the Existing Articles of Association**

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Reason                                                                                                                                                    |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 30     | <p>30. (A) The Company may by Special Resolution:</p> <p>(a) together with the approval of the Board, issue any Special Shares in accordance with Article 4 and 5;</p> <p>(b) change its name;</p> <p>(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;</p> <p>(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;</p> <p>(e) <u>participate in the merger/consolidation and dissolve thereafter, or carry on the general transfer, or be acquired by means of share exchange, as well as carry on a division which resulting in the termination of the trading of shares on TSE market, and the surviving transferee or newly incorporated company is not a listed or GTSM company.</u> <del>carry on the general transfer and the trading of Shares then traded on TSE markets shall be terminated while the transferee company is not listed on the GreTai Securities Market or TSE; and</del></p> | <p>30. (A) The Company may by Special Resolution:</p> <p>(a) together with the approval of the Board, issue any Special Shares in accordance with Article 4 and 5;</p> <p>(b) change its name;</p> <p>(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;</p> <p>(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;</p> <p>(e) carry on the general transfer and the trading of Shares then traded on TSE markets shall be terminated while the transferee company is not listed on the GreTai Securities Market or TSE; and</p> <p>(f) carry on a division and the trading of Shares then traded on TSE market shall be terminated while the surviving or newly incorporated transferee company after the division is not listed on the GreTai Securities Market or TSE.</p> <p>(B) The Company may, by a Special Resolution for Mergers, effect a Merger of the Company in</p> | <p>To comply with recent amendments to laws and regulations promulgated by the Taiwan Stock Exchange on December 25, 2019 per Letter No. 10800235681.</p> |

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Reason                                                                                                                                                    |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <p><del>(f) carry on a division and the trading of Shares then traded on TSE market shall be terminated while the surviving or newly incorporated transferee company after the division is not listed on the GreTai Securities Market or TSE.</del></p> <p>(B) The Company may, by a Special Resolution for Mergers, effect a Merger of the Company in accordance with the Law.</p>                                                                                                                                                                                                                                                                                                                                                                                                 | <p>accordance with the Law.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                           |
| Article 44     | <p>44 (A) The following matters shall be specified in the notice of a general meeting with the of their major content, and shall not be proposed as ad hoc motions; the major content may be published on the website designated by the Commission and the GreTai Securities Market or TSE or the Company, and such website shall be indicated in the above notice:</p> <p>(a) election or discharge of Directors;</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) reduction of capital;</p> <p>(d) application for the approval of ceasing Shares to be publicly offered;</p> <p>(e) <u>share exchange</u>, winding-up, Merger or Spin-off of the Company;</p> <p>(f) entering into, amendment to, or termination of any contract for</p> | <p>44 (A) The following matters shall be specified in the notice of a general meeting with the of their major content, and shall not be proposed as ad hoc motions; the major content may be published on the website designated by the Commission and the GreTai Securities Market or TSE or the Company, and such website shall be indicated in the above notice:</p> <p>(a) election or discharge of Directors;</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) reduction of capital;</p> <p>(d) application for the approval of ceasing Shares to be publicly offered;</p> <p>(e) winding-up, Merger or Spin-off of the Company;</p> <p>(f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for</p> | <p>To comply with recent amendments to laws and regulations promulgated by the Taiwan Stock Exchange on December 25, 2019 per Letter No. 10800235681.</p> |

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Reason |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|                | <p>lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(g) the transfer of the whole or any material part of its business or assets;</p> <p>(h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(i) carrying out private placement of its securities;</p> <p>(j) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and</p> <p>(l) capitalization of the statutory reserve and the Capital Reserve (subject to Article 137) by issuing new Shares or cash to its then Shareholders in proportion to the number of Shares being held by each of them.</p> <p>(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.</p> | <p>entrusting business, or for regular joint operation with others;</p> <p>(g) the transfer of the whole or any material part of its business or assets;</p> <p>(h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(i) carrying out private placement of its securities;</p> <p>(j) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and</p> <p>(l) capitalization of the statutory reserve and the Capital Reserve (subject to Article 137) by issuing new Shares or cash to its then Shareholders in proportion to the number of Shares being held by each of them.</p> <p>(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.</p> |        |

# Annex VI. Comparison Table for the amendments to the Rule of General Meeting

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Reason                                                                                                                                                                                                                                                            |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3              | <p>(Item 1 ~ 3 Omitted)</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the <u>Company Act</u>, <u>Article 26-1</u>, <u>Article 43-6 of Securities and Exchange Act</u>, <u>Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.</p> <p>(Item 5 Omitted)</p> <p>A shareholder holding 1 percent or more of the total number of</p> | <p>(Item 1 ~ 3 Omitted)</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</u></p> <p>(Item 5 Omitted)</p> <p>A shareholder holding 1 percent or more of the total number of issued</p> | <p>To comply with recent amendments to laws and regulations promulgated by the Taiwan Stock Exchange Corporation on June 3, 2020 per Letter No. 10900094681.</p> <p>Adjust the way of announcement in line with the regulations.</p> <p>To comply with recent</p> |

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Reason                                                                                                                                                         |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <p>issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, <u>provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>(Omitted)</p> | <p>shares may submit to this Corporation a <u>written</u> proposal for discussion at a regular shareholders meeting. Such proposals, <u>however, are</u> limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>A shareholder proposal proposed for urging the Company to promote public interests or fulfil its social responsibilities may still be included in the agenda by the Board.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>(Omitted)</p> | <p>amendments to laws and regulations promulgated by Article 172, paragraph 5 of the Company Act, and the amend the paragraph 6 of Letter No. 10700105410.</p> |
| 9              | <p>(Item 1 Omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time <u>and announce the number of non-voting rights and the number of shares present.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement,</p>                                                                                                                                                                                                                                                                                                                                        | <p>(Item 1 Omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1</p>                                                                                                                                                                                                                                                                                                                                               | <p>In order to improve corporate governance and safeguard the rights and interests of shareholders, the paragraph 2 is amended.</p>                            |

| Article Number | After Amendment                                                                                                                                                                                                                                                                                                                                                                                                             | Prior to Amendment                                                                                                                                                                                                                                                                                                                                                                             | Reason                                                                                                                              |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
|                | <p>provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>(Omitted)</p>                                                                               | <p>hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>(Omitted)</p>                                                                                                                                            |                                                                                                                                     |
| 14             | <p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected <u>and lose the election</u> as directors and supervisors and the numbers of votes with which they were elected.</p> <p>(Omitted)</p> | <p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p> <p>(Omitted)</p> | <p>In order to improve corporate governance and safeguard the rights and interests of shareholders, the paragraph 1 is amended.</p> |

## **Annex VII. Rules of Board Meetings**

### **Wisdom Marine Lines Co., Limited Rules of Board Meetings**

**February 21, 2020**

**Approval by the Board Meetings**

#### **Article 1**

The Company comply with **Regulations Governing Procedure for Board of Directors Meetings of Public Companies** to amend these rules.

#### **Article 2**

The Company shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.

#### **Article 3**

A board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.

The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

All matters set out in the subparagraphs of Article 12, , shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.

#### **Article 4**

The board of directors of a company appoint the Administration department as an agenda working group, which shall be specified in the rules of procedure.

The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

#### **Article 5**

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible,

they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

## **Article 6**

A board of directors meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to all directors and suitable for holding such a meeting.

## **Article 7**

Meetings of the board of directors shall be called and chaired by the chairman of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

According to Article 203 or 203-1 of Company Act, Meetings of the board of directors shall be convened by the chairman of the board of directors. The majority or more of the directors may, by filing a written proposal setting forth therein the subjects for discussions and the reasons, request the chairman of the board of directors to convene a meeting of the board of directors.

When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chairman, the vice chairman shall do so in place of the chairman, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if the chairman does not make such a designation, by a managing director or director elected by and from among themselves.

## **Article 8**

When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference.

When holding a meeting of the board of directors, a company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors " as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

## **Article 9**

A company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

## **Article 10**

Agenda items for regular board of directors meetings shall include at least the following:

1. Reports:
  - A. Minutes of the last meeting and actions arising.
  - B. Reporting on important financial and business matters.
  - C. Reporting on internal audit activities.
  - D. Other important matters to be reported.
2. Discussions:
  - A. Items discussed and continued from the last meeting.
  - B. Items for discussion at this meeting.
3. Extraordinary motions.

## **Article 11**

A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 8, paragraph 3 of the preceding article shall apply mutatis mutandis.

## Article 12

The following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

### **Article 13**

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

### **Article 14**

Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

If there is an amendment to or substitute for a proposed resolution, the Chairman shall decide the sequence of voting for such proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. The result of voting shall be announced at the meeting and placed on record.

### **Article 15**

If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. In the merger/consolidation and acquisition by a company, the Board of Directors shall, in the course of conducting the merger /consolidation or acquisition, in the best interest of the company, fulfill its duty of care. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a board director is prohibited by the preceding paragraph from exercising voting rights.

## **Article 16**

Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 4.
8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. If any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records

during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

#### **Article 17**

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or this Corporation's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific.

#### **Article 18**

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

## **Annex VIII. Rules of General Meeting**

### **Wisdom Marine Lines Co., Limited Rules of General Meeting**

May 22, 2020

**Implemented after adoption by shareholders meetings.**

#### **Article 1**

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities

#### **Article 2**

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### **Article 3 ( Convening shareholders meetings and shareholders meeting notices )**

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and

shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder proposal proposed for urging the Company to promote public interests or fulfil its social responsibilities may still be included in the agenda by the Board. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission, can in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### **Article 4**

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice

of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5** ( Principles determining the time and place of a shareholders meeting )

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

**Article 6** ( Preparation of documents such as the attendance book )

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

**Article 7** ( The chair and non-voting participants of a shareholders meeting )

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as

chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairman of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### **Article 8 ( Documentation of a shareholders meeting by audio or video )**

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### **Article 9**

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative

resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### **Article 10** ( Discussion of proposals )

If a shareholders meeting is convened by the board of directors, the meeting agenda(including extraordinary motions and revise of the original proposal) shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. And arrange adequate voting time.

#### **Article 11** ( Shareholder speech )

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### **Article 12** ( Calculation of voting shares and recusal system )

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### **Article 13**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent

to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### **Article 14** ( Election of directors and supervisors )

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### **Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy

distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting (including votes). Shall disclose every candidates' votes when there's Election for the Board of Directors. The minutes shall be kept persistently throughout the life of the company.

#### **Article 16 ( Public disclosure )**

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### **Article 17 ( Maintaining order at the meeting place )**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### **Article 18 ( Recess and resumption of a shareholders meeting )**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including

extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

#### **Article 19**

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

#### **Article 20**

1. These Rules was regulated at December 31, 2008.
2. First revision date: June 17, 2011.
3. Second revision date: June 29, 2012.
4. Third revision date: June 21, 2013.
5. Fourth revision date: May 29, 2015.
6. Fiveth revision date: May 22, 2020.

## **Annex IX. Procedures for the Election of Directors**

### **Wisdom Marine Lines Co., Limited Procedures for Election of Directors**

May 27, 2016

**Implemented after adoption by shareholders meetings.**

#### **Article 1**

To ensure a just, fair, and open election of directors, these Procedures are adopted.

#### **Article 2**

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

#### **Article 3**

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

#### **Article 4**

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters

for Public Companies.

#### **Article 5**

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### **Article 6**

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### **Article 7**

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

In the election of the company's directors, shareholders may choose to exercise their right to vote either by electronic or on-site voting.

Where shareholders exercise their voting rights in the form of electronic voting in the preceding paragraph, they shall exercise it on the electronic voting platform designated by the company.

#### **Article 8**

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall

be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Those who exercise their voting rights electronically will not issue ballots.

## **Article 9**

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

前項選舉權數，依股東會現場所投之選舉權數加計電子投票之選舉權數計算之。

前項電子投票表決結果應於股東會前由符合股務處理準則第 44 條之 6 規定之機構，確認股東身分及表決權數並完成統計驗證。

如開票結果獨立董事應選名額所得選舉權數較高者皆不具備會計或財務專長時，應將具備會計或財務專長候選人所得票數單獨計算，以得票數最高者當選一席，其餘當選名額依前項規定。

經股東會選任為獨立董事者，於任期中如有違反第四條或第五條之情形致應予解任時，不得變更其身分為非獨立董事。經股東會選任為非獨立董事者，於任期中亦不得逕行轉任為獨立董事。

## **Article 10**

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

## **Article 11**

被選舉人如為股東身分者，選舉人須在選舉票被選舉人欄填明被選舉人戶名及股東戶號；如非股東身分者，應填明被選舉人姓名及身分證明文件編號。惟法人股東為被選舉人時，選舉票之被選舉人戶名欄應填列該法人名稱，亦得填列該法人名稱及其代表人姓名；代表人有數人時，應分別加填代表人姓名。

## **Article 12**

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.

4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. 所填被選舉人之姓名與其他股東相同而未填股東戶號或身分證明文件編號可資識別者。

### **Article 13**

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

### **Article 14**

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

### **Article 15**

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

### **Article 16**

1. These Rules was regulated at August 17, 2009.
2. First revision date: June 28, 2010.
3. Second revision date: June 17, 2011.
4. Third revision date: June 29, 2012.
5. Fourth revision date: May 29, 2015.
6. Fiveth revision date: May 27, 2026.

**Annex X. Memorandum and Articles of Association**

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THE COMPANIES LAW (2020 REVISION)  
COMPANY LIMITED BY SHARES  
**SEVENTH 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 22 May 2020)

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**INTERPRETATION**

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2020 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 or 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 (2020 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;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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| (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                                                                                                                                                                                                                                                                                                            |

|           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|           |                                    | 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<br>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<br>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;                                                                                                                                                                               |

- |         |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| (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            | <p>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.</p> <p>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;</p> |
| (xliv)  | Special Resolution for Merger | <p>means a resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) by majority in number representing seventy-five per cent in value of the Shareholders voting together as one class; and</p> <p>(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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|          |                                 |                                                                                                                                                                                                                                                                                                                                                                                  |
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|          |                                 | 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. (A) 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.  
  
(B) When the total number of new ordinary Shares has been subscribed to in full, the Company shall immediately press each of the subscribers for payment. Where share certificates are issued above the par value thereof, the amount in excess of such value shall be collected at the same time with the payment for Shares.  
  
(C) Where subscriber delays payment for Shares as provided in the preceding paragraph, the Company shall fix a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited. After the Company has made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by

them shall be otherwise sold. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting subscribers.

7. (A) The Company shall not issue any unpaid Shares or partial paid-up Shares. The Company shall not issue Shares in bearer form.  
(B) The Company shall not convert the Shares into par value shares if the Company chooses to issue no par value shares.
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 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.
- 10A. (A) The employees of the Company's pre-emptive right prescribed under the preceding
- 1. Article 8 and 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 for the Merger between subsidiary companies of the Company and other companies, or the Spin-off of the Company;
    - (b) in connection with the Shares issued for being acquired;
    - (c) in connection with acquisition of issued Shares, business, or assets of another company; or
    - (d) in connection with share swap.
- (B) Any new Shares issued under preceding paragraph (A) may be paid up in cash or assets required in the business of the Company.
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;
  - (e) carry on the general transfer and the trading of Shares then traded on TSE markets shall be terminated while the transferee company is not listed on the GreTai Securities Market or TSE; and
  - (f) carry on a division and the trading of Shares then traded on TSE market shall be terminated while the surviving or newly incorporated transferee company after the division is not listed on the GreTai Securities Market or TSE.
- (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 or winding-up in accordance with the Taiwan Laws;
- (f) carry out private placement of its securities;
- (g) modify or alter these Articles; and
- (h) be acquired by any Surviving Company as a 100% held subsidiary company by means of share swap.

(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.

(D) In case the Company has issued Special Shares, any modification or alteration in these Articles prejudicial to the privileges of Special Shareholders shall also be adopted by a meeting of Special Shareholders.

32. (A) 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).

(B) In the event any part of the Company's business is spun off or the Company is involved in any Merger, acquisition, share swap 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.

(C) If the Shareholder filing a request under the preceding paragraph (A) and (B) of this Article 32, the Shareholder shall make such request in writing within twenty (20) days since the resolution of the general meeting was made, specify the price for buying back. If the Company and the Shareholder reach an agreement about the price of buying back, the Company shall pay for the Shares within ninety (90) days since the resolution of the general meeting was made. In case no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting Shareholder who asks for a higher price within ninety (90) days since the resolution of the general meeting was made. If the Company did not pay, the Company shall be deemed to be agreeable to the price requested by the Shareholder.

(D) In the event that the Shareholder filing a request under the preceding paragraph (B) of this Article 32 and 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 (30) 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. The Taiwan Taipei District Court, ROC, may be the court of first instance for this matter.

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. Any Shareholder or Shareholders entitled to attend general meetings of the Company holding at least fifty percent (50%) of the paid up share capital of the Company for a period of three months or a longer time may convene an extraordinary general meeting. The calculation of the holding period and holding number of Shares of the abovementioned Shareholder(s) shall be based on the holding at the time when the Register is closed. 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.
- 42A. The Board or any other Person having the convening right may require the Company or its Shareholders' Service Agent to provide with the roster of shareholders in convening shareholders' meeting.

### **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 of their major content, and shall not be proposed as ad hoc motions; the major content may be published on the website designated by the Commission and the GreTai Securities Market or TSE or the Company, and such website shall be indicated in the above notice:
- (a) election or discharge of Directors;
  - (b) amendments to the Memorandum of Association and/or these Articles;
  - (c) reduction of capital;
  - (d) application for the approval of ceasing Shares to be publicly offered;
  - (e) winding-up, Merger or Spin-off of the Company;
  - (f) 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;
  - (g) the transfer of the whole or any material part of its business or assets;
  - (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (i) carrying out private placement of its securities;
  - (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
  - (k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
  - (l) capitalization of the statutory reserve and the Capital Reserve (subject to Article 137) by issuing new Shares or cash 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. (A) 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 or by way of electronic transmission to the Company a proposal for discussion at an annual general meeting, provided that, unless any of the following circumstances is satisfied, the Board shall include the proposal submitted by a shareholder in the agenda:
- (a) Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders;
  - (b) Where the number of shares of the Company in the possession of the shareholder making the said proposal is less than one percent 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;

- (c) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals; and
    - (d) Where the said proposal containing more than 300 words or more than one matter.
  - (B) A shareholder proposal proposed for urging the Company to promote public interests or fulfil its social responsibilities may still be included in the agenda by the Board.
  - (C) 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<sup>ed</sup>) 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) Any Shareholder or Shareholders entitled to attend general meetings of the Company holding at least one percent (1%) of the paid up share capital of the Company for a period of six months or a longer time may, submit a written request to any Independent Director of the Audit Committee to initiate proceedings against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including the Taiwan Taipei District Court, ROC. If Independent Director of the Audit Committee fails to initiate such proceedings within thirty (30) days after receiving the request by such Shareholder(s), such Shareholder(s) may initiate such proceedings on behalf of the Company with a competent court having proper jurisdiction, including the Taiwan Taipei District Court, ROC.
- (d) 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.
- (e) In the event a Director has, in the course of performing the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other Person, he/she/it shall jointly and severally be liable with the Company for the damage to such other Person.

(f) The Officers, in the course of performing their duties to the Company, shall assume responsibilities identical to that of the Directors.

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. Subject to the condition that the Board does not or is unable to convene a meeting of shareholders, the independent directors of the Audit Committee may, for the benefit of the Company, call a meeting of shareholders when it is deemed necessary.
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. Before the Board is held to resolve matters of the Merger and acquisition, the Audit Committee shall review the fairness and reasonableness of the plan and transaction of the Merger or acquisition and then report the review results to the Board and the general meeting. When the Audit Committee reviews the fairness and reasonableness of the plan and transaction of the Merger and acquisition, the Audit Committee shall seek opinions from an independent expert on the reasonableness of the share swap ratio or distribution of cash or other assets. The review results of the Audit Committees and opinions of independent experts shall be delivered to the Shareholders together with the notice of a general meeting for the Merger or acquisition. If the Company has made a public announcement publishing the same content as in the aforementioned documents, which shall be delivered to the Shareholders, on the website designated by the Commission and the GreTai Securities Market or TSE and the aforementioned documents are prepared at the venue of the general meeting, those documents shall be deemed as having been sent to the Shareholders.

86B. 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 has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (c) committed an offence under the Anti-Corruption Act of Taiwan and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (d) becomes bankrupt under the laws of any country or has been adjudicated of the commencement of the liquidation procedure by the court, and having not been reinstated to his rights and privileges;;
- (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;
- (j) is removed from office pursuant to Article 76;
- (k) has been adjudicated the commencement of assistantship and such assistantship has not been revoked yet; and/or
- (l) transfers more than one half of the total number of the Shares of the Company being held by him/her/it at the time he/she/it was elected during the term of office as a Director; unless otherwise, he/she/it is the Independent Director.

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. (A) 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.
- (B) In the event that any Director, after being elected and before his/her/its inauguration of the office of Director, transfers more than one half of the total number of shares of the Company held by him/her/it at the time he/she/it was elected; or transfers more than one half of the total number of shares of the Company held by him/her/it within the period stated in Article 37 before the date of meeting of shareholders, then his/her/its election as a Director shall be deemed invalid; unless otherwise, he/she/it is the Independent 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 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, transcribe and to make copies of these Articles, accounting books and records referred to in the above; if these Articles, accounting books and records are kept in a Shareholders' Service Agent, the Company shall make such agent to provide with the access.
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.

#### **Corporate Social Responsibility**

161. The Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities when conducting business.

## Annex XI. 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 25, 2018 | Ordinary Shares               | 197,793,456      | 32.07%                  | Ordinary Shares       | 202,478,349      | 27.13%                  |         |
| Director             | Chao, Tzu-Lung               | May 25, 2018 | Ordinary Shares               | 603,710          | 0.10%                   | Ordinary Shares       | 617,974          | 0.08%                   |         |
| Director             | Fukui Masayuki               | May 25, 2018 | Ordinary Shares               | 1,470,819        | 0.24%                   | Ordinary Shares       | 1,666,990        | 0.22%                   |         |
| Director             | Jinzhou Investment Co., Ltd. | May 25, 2018 | Ordinary Shares               | 1,472,721        | 0.24%                   | Ordinary Shares       | 1,507,519        | 0.20%                   |         |
| Independent Director | Tu, Neng-Mo                  | May 25, 2018 | Ordinary Shares               | 0                | 0%                      | Ordinary Shares       | 0                | 0%                      |         |
| Independent Director | Chen, Po-Chih                | May 25, 2018 | Ordinary Shares               | 0                | 0%                      | Ordinary Shares       | 0                | 0%                      |         |
| Independent Director | Lin, Tse-Chun                | May 25, 2018 | Ordinary Shares               | 0                | 0%                      | Ordinary Shares       | 0                | 0%                      |         |
| Independent Director | Chiu, Yung-Ho                | May 25, 2018 | Ordinary Shares               | 0                | 0%                      | Ordinary Shares       | 0                | 0%                      |         |
| Independent Director | Liu, Tsai-Ching              | May 25, 2018 | Ordinary Shares               | 0                | 0%                      | Ordinary Shares       | 0                | 0%                      |         |

Note 1 : Total issued shares outstanding on May 25, 2018: 616,707,566 shares.

Note 2 : Total issued shares outstanding as of the book closing date: 746,409,199 shares.

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 23,885,095 shares.

Note 4 : Total shares held by the entire body directors as of the book closing date: 206,270,832 shares.

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

**Annex XII. 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 March 15, 2021 and ended on March 25, 2021.
2. There were no submissions of proposals by the shareholders holding 1% or more of the total issued shares during the proposal acceptance period.