



## **CHINESE MARITIME TRANSPORT LTD.**

### **2022 Annual Shareholders' Meeting**

#### **Meeting Agenda**

(Summary Translation)

(In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail)

Meeting Time: May 12, 2022

# **Contents**

**Meeting Procedure**

**Meeting Agenda**

**Report Items**

**Proposed Resolutions**

**Discussion and Election**

**Extempore Motion(s)**

## **Attachment**

1. Business Report of 2021
2. Supervisors' Report on the 2021 Financial Statements
3. Independent Auditors' Report and Financial Statements
4. Amendment comparison table for the Article of Incorporation
5. Amendment comparison table for the Rules and Procedures of Shareholders Meeting
6. Amendment comparison table for the Rules for Election Directors and Supervisors
7. Amendment comparison table for the Procedures for Lending Funds to Other Parties
8. Amendment comparison table for the Procedures for Endorsement and Guarantee
9. Amendment comparison table for the Procedures for Acquisition or Disposal of Assets
10. List of Director (including Independent Director) Candidates
11. Proposed list of directors for releasing the non-competition restrictions

## **Appendix**

1. Rules and Procedures of Shareholders Meeting
2. Article of Incorporation
3. Rules for Election Directors and Supervisors
4. Procedures for Lending Funds to Other Parties
5. Procedures for Endorsement and Guarantee
6. Procedures for Acquisition or Disposal of Assets
7. Shareholdings of All Directors and Supervisors

**Chinese Maritime Transport Ltd.  
Meeting Procedure of the  
2022 Annual Shareholders' Meeting**

1. Call the meeting to order
2. Chairman remarks
3. Report items
4. Proposed resolutions
5. Discussion and Election
6. Extempore Motion(s)
7. Adjournment

**Chinese Maritime Transport Ltd.**  
**2022 Annual Shareholders' Meeting**  
**Meeting Agenda**

**Convening method:** Entity shareholders' meeting

**Time :** 9 a.m., Thursday, May 12, 2022

**Place :** Sheraton Grand Taipei Hotel

(No.12, Zhong Xiao East Road, Section 1, Taipei, Taiwan, R.O.C.)

**Meeting procedure :**

1. Call the meeting to order
2. Chairman remarks
3. Report items
  - 3.1 Business report of 2021
  - 3.2 Supervisors' review report on the 2021 financial statements
  - 3.3 Summary of endorsement and guarantee
  - 3.4 Distribution of the 2021 compensation of employees, directors and supervisors
  - 3.5 Distribution of the 2021 cash dividends
4. Proposed resolutions
  - 4.1 To accept 2021 business report and financial statements
  - 4.2 To approve the proposal for distribution of 2021 profits
5. Discussion and Election
  - 5.1 To amend the Article of Incorporation
  - 5.2 To amend the Rules and Procedures of Shareholders' Meeting
  - 5.3 To amend the Rules for Election Directors and Supervisors
  - 5.4 To amend the Procedures for Lending Funds to Other Parties
  - 5.5 To amend the Procedures for Endorsement and Guarantee
  - 5.6 To amend the Procedures for Acquisition or Disposal of Assets
  - 5.7 Election of the 17th Session Company Directors (including three independent directors)
  - 5.8 To propose the approval of releasing non-competition restrictions on the company's newly elected directors and its representative
6. Extempore Motion(s)
7. Adjournment

## **Report Items**

### **1. To report the business of 2021**

Explanation: Please refer to attachment 1 (page 10~13)

### **2. Supervisor's review report on the 2021 financial statements**

Explanation: Please refer to attachment 2 (page 14)

### **3. Summary of endorsement and guarantee**

Explanation: The balance of endorsement guarantees by the company to its subsidiaries was NT\$ 9,451,336,000 as the end of December 2021.

### **4. Distribution of the 2021 compensation employees, directors and supervisors**

Explanation: In pursuant to article 26 of the company's Article of Incorporation, NT\$ 10,932,507 for employee compensation and NT\$ 10,932,507 for directors and supervisor's compensation were allocated, which will be distributed in cash.

### **5. Distribution of the 2021 cash dividends**

Explanation:

- 5.1 In pursuant to article 26-1 of the company's Article of Incorporation, the Board of Directors is authorized to decide to distribute all or part of dividends to be distributed in cash.
- 5.2 The company distributed a cash dividend of NT\$529,258,709 to shareholders from the accumulated distributable earnings up to the current period, the cash dividend of NT\$2.68 per share.
- 5.3 The calculation of cash dividend distribution is up to one NT dollar, and less than one dollar is rounded.

## Proposed Resolutions

### 1. To accept 2021 business report and financial statements

Proposed by the Board of Directors

Explanation:

1.1 CMT's 2021 Financial Statements have been audited by KPMG, and an audited report has been issued on the record, together with the business report and financial statements, which has been approved by the Board of Directors and examined by Supervisors, submit to the shareholders' meeting for acceptance.

1.2 Please refer to attachment 1 and attachment 3. (page 10~13 & 15~34)

Resolutions:

### 2. To approve the proposal for distribution of 2021 profits

Proposed by the Board of Directors

Explanation:

The company's 2021 profit distribution proposal has been approved by the Board of Directors. The earnings distribution is as follows:

(unit: NTD)

Chinese Maritime Transport Ltd. Earning Distribution Table of 2021		
<u>Item</u>		<u>AMOUNT</u>
Unappropriated returned earnings of previous year		5,625,945,551
Add: 2021 net income	1,040,604,273	
Less: Losses on remeasurements of defined benefit		
Plans	(2,652,800)	
Disposal from investment in equity instrument measured at fair value through other comprehensive income	(8,123,487)	
Changes in ownership interests in subsidiaries	(2,398,982)	
10% Legal reserve appropriated	(102,742,900)	
Special reserve appropriated	<u>(50,775,510)</u>	
2021 Earnings available for distribution		<u>873,910,594</u>
Earnings available for distribution		6,499,856,145
Less:		
2021 Earning distribution (cash dividend 2.68 per share)		<u>(529,258,709)</u>
Unappropriated returned earnings at the end of year		5,970,597,436
P.S. The calculation of cash dividend distribution is up to one NT dollar, and less than one dollar is rounded. The cash dividends less than one NT dollar shall be transferred to other income by the Company.		

Resolutions:

## **Discussion and Election**

### **1. To amend the Article of Incorporation**

Proposed by the Board of Directors

Explanation:

1.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, it is proposed to amend Articles 16, 16-1, 17, 18, 23 ,25, 26 and Article 28 of the Article of Incorporation.

1.2 Please refer to the amendment comparison table for the Article of Incorporation as attachment 4. (page 35~39)

Resolutions:

### **2. To amend the Rules and Procedures of Shareholders Meeting**

Proposed by the Board of Directors

Explanation:

2.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, it is proposed to amend Articles 15 and 16 of the Rules and Procedures of Shareholders Meeting.

2.2 Please refer to the amendment comparison table for the Rules and Procedures of Shareholders Meeting as attachment 5. (page 40)

Resolutions:

### **3. To amend the Rules for Election Directors and Supervisors**

Proposed by the Board of Directors

Explanation:

3.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, it is proposed to amend of the Rules for Election Directors and Supervisors.

2.2 Please refer to the amendment comparison table for the Rules for Election Directors and Supervisors as attachment 6. (page 41~43)

Resolutions:

### **4. To amend the Procedures for Lending Funds to Other Parties**

Proposed by the Board of Directors

Explanation:



- 4.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, it is proposed to amend of the Procedures for Lending Funds to Other Parties.
- 4.2 Please refer to the amendment comparison table for the Procedures for Lending Funds to Other Parties as attachment 7. (page 44~46)

Resolutions:

## **5. To amend the Procedures for Endorsement and Guarantee**

Proposed by the Board of Directors

Explanation:

- 5.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, it is proposed to amend of the Procedures for Endorsement and Guarantee.
- 5.2 Please refer to the amendment comparison table for the Procedures for Endorsement and Guarantee as attachment 8. (page 47~51)

Resolutions:

## **6. To amend the Procedures for Acquisition or Disposal of Assets**

Proposed by the Board of Directors

Explanation:

- 6.1 In pursuant to the requirements of Article 14-4 of Securities and Exchange Act to establish an audit committee, and the regulation of FSC No.1110380465, it is proposed to amend of the Procedures for Acquisition or Disposal of Assets.
- 6.2 Please refer to the amendment comparison table for the Procedures for Acquisition or Disposal of Assets as attachment 9. (page 52~61)

Resolutions:

## **7. Election of the 17th Session Company Directors (including three independent directors)**

Proposed by the Board of Directors

Explanation:

- 7.1 The tenure of the 16<sup>th</sup> Session Board of Directors of the Company is from July 1, 2019 to June 30, 2022. Hereby, according to the law, proposal for election in the meeting.
- 7.2 In pursuant to the Article of Incorporation, nine directors (including three independent directors) will be elected by candidates nomination system.  
The tenure of 17<sup>th</sup> Session Board of Directors will be effective immediately after election, with duration of three years from May 12, 2022 to May 11, 2025.
- 7.3 Please refer to attachment 10 for the list of candidates for directors and independent directors. (page 62~63)

Resolutions:

## **8. To propose the approval of releasing non-competition restrictions on the Company's newly elected Directors and its representative**

Proposed by the Board of Director

Explanation:

- 8.1 In pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- 8.2 After this election, if the newly elected directors (including independent directors) have competition behavior as stipulated in Article 209 of the Company Act, it is proposed to apply to the shareholders' meeting for permission to release their non-competition restrictions.
- 8.3 Please refer to attachment 11 for the proposed list of directors and independent directors of releasing non-competition restrictions. (page 64)

## **Extempore Motion(s)**

## **Adjournment**

## Attachment 1

### Chinese Maritime Transport Ltd. 2021 Business Report

#### 1. Operating Strategies

2021 was the year of post-pandemic recovery but Omicron Covid-19 variant continued to spread rapidly around the globe. International supply chain faced unprecedented opportunities and challenges as logistic gridlocks persisted from port restrictions and border controls. After disastrous mining accidents in Brazil and Covid-19 disruptions, seaborne dry bulk freight and commodities prices had reached record highs in 2021 owing to resurgence of global economy from the health crisis. Iron ore trades remained at record levels, while surging demand for coal in both Europe and Asia being the key driver for more long haul imports.

Capesize 5TC average reached its lowest point of US\$ 10,304 in 1H 2021 showing signs of renewed confidence in comparison with only about US\$ 2,000 in 1H 2020. PRC steel production and demand for iron ore increased substantially as economy vastly recovered on Y-o-Y basis. Iron ore prices surpassed US\$ 200 mark then onto record high levels. However, PRC's steel output and demand for iron ore tumbled in 2H 2021 after the central government, under the carbon reduction campaign, mandating the country's crude steel output to be capped at 2020 levels. After reaching its peak since 2010, BCI averaged 4,019 points in 2021 with spot rate averaged US\$ 33,333, a leap of US\$ 20,263 over the average of US\$ 13,070 a year ago.

In 2021, CMT contracted with CSSC Qingdao Beihai Shipbuilding Co., Ltd. to build four eco-Newcastlemax bulk carriers for deliveries in 2023 and 2024 as a part of its efforts to expand fleet size and improve operational efficiency. The company has also strengthened its competitive advantage by retrofitting 70% of its ships by end of 2021 with latest energy saving devices while the rest to be completed in upcoming dry-docks. In addition to reinforcement on training, CMT focuses on the three pillars of environmental protection, navigational safety and data security to optimize company's safety management system. The company will achieve its goals to upgrade quality of service and efficiency with plan to replace older tractors and machineries while improving on refining digitalization and operating procedures.

Under the principles of ESG (Environmental, Social and Governance), CMT is committed to create greatest value for the shareholders while elevating proficiency, safety, and efficiency. For the environment, CMT actively promotes cross-functional energy saving plans. The development of operating efficiency and information technology is realized through integration of resources, implementation of latest digitization tools, and policies of risk management. The goal of creating corporate competitiveness and influence will be achieved while optimizing benefit for all stakeholders and realizing company's responsibilities.

## 2. Overview of Implementation

### 2.1 Shipping

Capesize 5TC average had reached 10-year high in 2021 however PRC's energy and carbon intensity initiatives negatively affected freight and commodity prices in second half of the year. Forward freight agreements had retreated but PRC government will continue prioritizing efforts to stimulate its economy. Recent announcements of interest rate cuts and five extra years for steel industry to reach peak carbon emissions should increase the demand for dry bulk commodities. Going forward, the freight market will remain volatile hence the company plans charter renewals in each quarter to minimize risks from macroeconomic uncertainties. There are about 60 newbuildings (over 100,000 DWT) scheduled for delivery in 2022 and net fleet growth should remain below 2.5%.

CMT's newbuilding orders will satisfy IMO's stringent requirement for ships beyond 2029 and the company is well prepared to achieve zero emissions when ships are within port limits. The newbuilding program vastly improves the CMT's competitive advantage and is a testament of its goal to fulfill its corporate social responsibilities in the years to come.

In addition to potential risks around the globe, Omicron variants will surely create new challenges, while U.S./China relations and other geo-political conflicts shall never be overlooked. Major world economies are still at the recovering stage but inflation and particularly the supply chain disruption is now the new norms which should further support freights. It also calls for enhancement of the operating model through advanced planning of crew changes in order to ensure navigational safety. PRC economy is still recovering but predicated on its environmental and economic policies going forward. CMT will renew its charters throughout each year in order to minimize volatility and maximize revenue.

### 2.2 Inland Trucking

The Covid-19 Pandemic has led to labor shortages and inability to cope

with surging demand around the world. Container shipping market has been chaotic amid congestions in major ports which drastically minimizes operational efficiency. ATI continued to operate with diversity, optimism and sustainability. It prioritizes customers' satisfaction and shareholders' benefit while reducing carbon emissions by acquiring environment-friendly tractors.

### 2.3 Logistics

Collaboration between Taipei Port and Evergreen Marine Corp. induced shippers to relocate cargoes to Taipei Port. CMTL is dedicated to improve quality of service by reinforcing lateral communication through IT upgrades and training. By recognizing its competitive advantage in geographical locations and expertise, the company seizes the opportunities to accelerate by increasing revenue from container maintenance and attracting intra-Asia cargoes.

### 2.4 Environmental, Social, and Governance

CMT dedicated its efforts to implement corporate governance, develop sustainable environment and achieve social welfare. The company closely monitors the impact on operation from environmental protection and climate changes. Guided by international conventions and EU regulations, we continue to measure and reduce carbon emission through means of energy saving devices and collaboration with Class Society. In trucking, we successfully reduce emissions by operating environment-friendly tractors.

CMT recognizes the responsibility of promoting social welfare through training programs, emergency responses, and accident preventions under the labor safety and health management system. There is direct communicating channel for employees, seamen rights procedures, satisfaction survey, online medical consultation and ashore wellness services. The company voluntarily joins forces with RightShip and other world-class shipping companies to launch Seafarers Code of Conduct and self-assessment to provide safe working environment to the crew. CMT's charitable foundation has actively involves in philanthropy and social welfare programs to help underprivileged members in the society. The company also supports employees in getting vaccinated with insurance covers and numerous allowances during the pandemic.

We continue to improve corporate compliance and internal control with HR development and supply chain management. The company carefully assesses quality of suppliers and compliance with internal procedures under the supplier management system. In human resources, there is regular training, case studies and distant-learning to strengthen skill and

technical knowledge. Through flexible HR planning and communication tools, the company will reduce the impact of the Covid-19 pandemic. Following government's recommendation for vaccination, CMT implements vaccination plans and insurance covers to achieve overall two-dose vaccination rate of 95% among all employees.

### 3. Operating Result and Financial Performance

2021's Consolidated revenue from shipping, inland trucking, and logistics reached NT\$ 3.55378 billion, an increase of 13.5 percent over NT\$ 3.13238 billion in 2020. Total operating costs and expenses increased by 7.6% to NT\$ 3.19980 billion. Net operating income was NT\$ 353.99 million, an increase of 123.3 percent from 2020 level. Deriving mostly from adjustment of values in financial assets, CMT generated net non-operating income of NT\$ 759.01 million. Net income reached NT\$ 1.0406 billion, an increase of 216 percent over NT\$ 329.04 million in 2020. Basic earnings per share were NT\$5.27.

## **Attachment 2**

### **Supervisors' Report on the 2021 Financial Statements**

The company's 2021 parent company-only financial statements and consolidated financial statements were prepared by the Board of Directors and have been audited and certified by KPMG accountants Samuel Au and Isabella Lou. In accordance with Article 219 of the Company Act, we have examined these statements, along with the business report and earnings distribution statement, and found no discrepancies. We hereby submit these statements to shareholders for review.

Supervisor: Spencer Yang

Bing-Hsiu Kuo

March 9, 2022

## **Attachment 3**

### **Independent Auditors' Report**

To the Board of Directors of CHINESE MARITIME TRANSPORT LTD.:

#### **Opinion**

We have audited the consolidated financial statements of CHINESE MARITIME TRANSPORT LTD. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2021 and 2020 (restated), the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020 (restated), and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have



obtained, is sufficient and appropriate to provide a basis of our opinion.

### **Other Matter**

We did not audit the financial statements of the investee which represented the investment accounted for using the equity method of the Group. Those statements were audited by another auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amount is based solely on the report of other auditors. The investment accounted for using the equity method constituting 3.08% of total assets at December 31, 2021. The related shares of profit of associates accounted for using the equity method constituted 1.96% of total profit before tax for the years ended December 31, 2021.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion with Emphasis of Other Matter and an unmodified opinion, respectively, for reference.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. In our judgment, the key audit matters that should be communicated in the audit report are as follows:

#### **1. Recognition of freight revenue—vessel chartering and container hauling**

Please refer to Note(4)(o) for the accounting policy of “Revenue” and to Note (6) (q) for information details.

#### **Description of key audit matters:**

The main activities of the Group are bulk carrier operation through overseas subsidiaries, domestic container hauling and storage, and related business. Freight revenue vessel chartering and container hauling is one of the significant items in the consolidated financial statements, and the amounts and changes may affect the users’ understanding on the entire financial statements. Therefore, the testing over freight revenue—

vessel chartering and container hauling recognition is considered a key matter in our audit.

**Audit Procedure:**

Our principal audit procedures included: testing the related controls over the sale and receipts cycle, conducting the confirmation process used to examine the accounts receivable and revenue of major customers, executing substantive analytical procedures of freight revenue–vessel chartering, and assessing the contract liabilities, as well as evaluating whether the Group’s timing of revenue recognition is accurate in accordance with the related accounting standards.

**2. Assessment of impairment on property, plant and equipment**

Please refer to Note (4)(j) and Note (4)(m) for the accounting policies of impairment assessment of property, plant and equipment; Note (5)(a) for the assumptions and estimation uncertainty of impairment assessment of property, plant and equipment; and Note (6)(f) for the related disclosure of property, plant and equipment.

**Description of key audit matters:**

The main activities of the Group are bulk carrier operation, domestic container hauling and storage, and related business. The industry of the Group is affected by the variability of global economy and the highly competitive environment of shipping market, causing a drastic profit change in the shipping industry and posing a potential risk of impairment on transportation equipment of property, plant and equipment. Therefore, assessing whether an asset impairment incurs and conducting a test over the impairment are considered to be the key matters of our audit.

**Audit Procedure:**

Our principal audit procedures included: understanding and assessing the related policies, internal control and processing procedure of impairment assessment of the Company; evaluating the reasonability of discounting rate and external source information about estimating future cash flows, including reviewing the information source of the estimation; examining the input numbers of valuation model and equation, as well as recalculating and checking the correctness of the valuation model.

## **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Supervisors) are responsible for overseeing the Group's financial reporting process.

## **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 the 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 Group's internal control.
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 Group's ability to continue as a going concern. 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 the consolidated financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2022

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020 (Restated)				December 31, 2021		December 31, 2020 (Restated)			
		Amount	%	Amount	%			Amount	%	Amount	%		
<b>Current assets:</b>													
1100	Cash and cash equivalents (note (6)(a))	\$ 3,057,048	16	3,814,015	20	2100	Short-term borrowings (note (6)(j))	\$ 1,459,781	8	194,940	1		
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (8))	480,371	3	634,690	3	2130	Current contract liabilities (note (6)(q))	55,217	-	34,136	-		
1150	Notes and accounts receivable, net (note (6)(d))	331,386	2	285,931	1	2150	Notes and accounts payable	240,068	1	166,113	1		
1180	Accounts receivable due from related parties, net (notes (6)(d) and (7))	14,680	-	11,864	-	2200	Other payables	151,102	1	140,110	1		
1470	Other current assets	88,003	-	71,902	-	2230	Current tax liabilities	35,571	-	10,752	-		
1476	Other current financial assets (notes (6)(i) and (8))	437,150	2	333,361	2	2280	Current lease liabilities (note (6)(k))	51,286	-	44,533	-		
		<u>4,408,638</u>	<u>23</u>	<u>5,151,763</u>	<u>26</u>	2300	Other current liabilities	2,608	-	2,937	-		
<b>Non-current assets:</b>						2320	Long-term liabilities, current portion (note (6)(j))	<u>1,225,824</u>	<u>7</u>	<u>2,912,538</u>	<u>15</u>		
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (8))	686,613	4	208,915	1			<u>3,221,457</u>	<u>17</u>	<u>3,506,059</u>	<u>18</u>		
1517	Non-current financial assets at fair value through other comprehensive income (notes (6)(c) and (8))	776,107	4	1,188,476	7	<b>Non-Current liabilities:</b>							
1550	Investments accounted for using equity method, net (notes (6)(e))	587,583	3	605,621	3	2530	Bonds payable (note (6)(j))	2,500,000	13	2,900,000	15		
1600	Property, plant and equipment (notes (6)(f) and (8))	12,261,063	65	12,107,583	62	2540	Long-term borrowings (note (6)(j))	2,118,890	11	2,567,895	13		
1755	Right-of-use assets (note (6)(g))	215,315	1	162,059	1	2570	Deferred tax liabilities (note (6)(n))	606,789	3	606,529	3		
1760	Investment property, net (note (6)(h))	33,849	-	34,535	-	2580	Non-current lease liabilities (note (6)(k))	169,285	1	122,486	1		
1780	Intangible assets	8,381	-	9,798	-	2640	Net defined benefit liability, non-current (note (6)(m))	30,714	-	31,704	-		
1840	Deferred tax assets (note (6)(n))	13,646	-	17,355	-	2670	Other non-current liabilities, others	3,179	-	668	-		
1900	Other non-current assets	64,755	-	38,108	-			<u>5,428,857</u>	<u>28</u>	<u>6,229,282</u>	<u>32</u>		
1980	Other non-current financial assets (notes (6)(i) and (8))	22,461	-	18,624	-		<b>Total liabilities</b>	<u>8,650,314</u>	<u>45</u>	<u>9,735,341</u>	<u>50</u>		
		<u>14,669,773</u>	<u>77</u>	<u>14,391,074</u>	<u>74</u>		<b>Equity attributable to owners of parent (note (6)(o)):</b>						
<b>Total assets</b>		<u>\$ 19,078,411</u>	<u>100</u>	<u>19,542,837</u>	<u>100</u>	3100	Common stock	<u>1,974,846</u>	<u>10</u>	<u>1,974,846</u>	<u>10</u>		
						3200	Capital surplus	<u>53,411</u>	<u>-</u>	<u>53,411</u>	<u>-</u>		
							<b>Retained earnings:</b>						
						3310	Legal reserve	1,779,756	10	1,747,570	9		
						3320	Special reserve	883,992	5	535,690	3		
						3350	Unappropriated retained earnings	<u>6,653,375</u>	<u>35</u>	<u>6,322,409</u>	<u>33</u>		
								<u>9,317,123</u>	<u>50</u>	<u>8,605,669</u>	<u>45</u>		
								<u>(934,768)</u>	<u>(5)</u>	<u>(883,992)</u>	<u>(5)</u>		
						3400	Other equity interest	<u>10,410,612</u>	<u>55</u>	<u>9,749,934</u>	<u>50</u>		
							<b>Total equity attributable to owners of parent</b>						
						35XX	Equity attributable to predecessors' interests under common control	-	-	32,893	-		
						3610	Non-controlling interests	<u>17,485</u>	<u>-</u>	<u>24,669</u>	<u>-</u>		
							<b>Total equity</b>	<u>10,428,097</u>	<u>55</u>	<u>9,807,496</u>	<u>50</u>		
							<b>Total liabilities and equity</b>	<u>\$ 19,078,411</u>	<u>100</u>	<u>19,542,837</u>	<u>100</u>		

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars, Except earnings per share)**

		<b>2021</b>		<b>2020</b> <b>(Restated)</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating Revenues (notes (6)(q), (7) and (14))</b>				
4621	Freight revenue-vessel chartering	\$ 1,792,804	50	1,597,110	51
4622	Freight revenue-container hauling and logistics	1,732,374	49	1,490,667	48
4623	Freight revenue-airline agent and others	28,604	1	44,599	1
		<u>3,553,782</u>	<u>100</u>	<u>3,132,376</u>	<u>100</u>
5000	<b>Operating costs (notes (6) (m), (s) and (12))</b>				
5621	Freight cost-vessel chartering	1,340,077	38	1,341,626	43
5622	Freight cost-container hauling and logistics	1,413,528	39	1,217,151	39
5623	Freight cost-airline agent and others	25,812	1	26,068	1
		<u>2,779,417</u>	<u>78</u>	<u>2,584,845</u>	<u>83</u>
5900	<b>Gross profit</b>	<u>774,365</u>	<u>22</u>	<u>547,531</u>	<u>17</u>
	<b>Operating expenses:</b>				
6000	Operating expenses (notes (6)(m), (s), (7) and (12))	420,291	12	388,982	12
6450	Impairment loss determined in accordance with IFRS 9 (note (6)(d))	87	-	16	-
		<u>420,378</u>	<u>12</u>	<u>388,998</u>	<u>12</u>
6900	<b>Net operating income</b>	<u>353,987</u>	<u>10</u>	<u>158,533</u>	<u>5</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (notes (6)(b), (c), (l))	50,778	1	34,059	1
7050	Finance costs (note (6)(r))	(97,033)	(3)	(150,245)	(5)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(e))	21,814	1	72,594	2
7100	Interest income	8,211	-	25,367	1
7210	Gains (losses) on disposals of property, plant and equipment, net (note (6)(f))	6,635	-	(3,168)	-
7230	Foreign exchange gains or losses, net	3,684	-	(1,569)	-
7235	Gains on financial assets at fair value through profit or loss (note (6)(b))	765,076	22	438,392	14
7590	Miscellaneous disbursements	(152)	-	(318)	-
7225	Gains on disposals of investments (note (6)(e))	-	-	(230,254)	(7)
		<u>759,013</u>	<u>21</u>	<u>184,858</u>	<u>6</u>
7900	<b>Profit from continuing operation before tax</b>	<u>1,113,000</u>	<u>31</u>	<u>343,391</u>	<u>11</u>
7950	Less: Income tax expenses (note (6)(n))	81,992	2	23,003	1
	<b>Profit</b>	<u>1,031,008</u>	<u>29</u>	<u>320,388</u>	<u>10</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(m))	(3,316)	-	6,250	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))	94,770	2	248,330	8
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that may not be reclassified to profit or loss	-	-	4,767	-
8349	Income tax related to items that may not be reclassified to profit or loss (note (6)(n))	(663)	-	1,250	-
		<u>92,117</u>	<u>2</u>	<u>258,097</u>	<u>8</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation	(141,122)	(4)	(614,672)	(19)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that may be reclassified to profit or loss	(13,540)	-	729	-
8399	Income tax related to items that may be reclassified to profit or loss (note (6)(n))	(993)	-	(366)	-
	Total other comprehensive income that may be reclassified to profit or loss	<u>(153,669)</u>	<u>(4)</u>	<u>(613,577)</u>	<u>(19)</u>
8300	<b>Other comprehensive income</b>	<u>(61,552)</u>	<u>(2)</u>	<u>(355,480)</u>	<u>(11)</u>
	<b>Total comprehensive income</b>	<u>\$ 969,456</u>	<u>27</u>	<u>(35,092)</u>	<u>(1)</u>
	<b>Profit, attributable to:</b>				
	Owners of parent	\$ 1,040,604	29	329,039	10
	Predecessors' interests under common control	(2,412)	-	(4,943)	-
	Non-controlling interests	(7,184)	-	(3,708)	-
		<u>\$ 1,031,008</u>	<u>29</u>	<u>320,388</u>	<u>10</u>
	<b>Comprehensive income attributable to:</b>				
	Owners of parent	\$ 979,052	27	(26,441)	(1)
	Predecessors' interests under common control	(2,412)	-	(4,943)	-
	Non-controlling interests	(7,184)	-	(3,708)	-
		<u>\$ 969,456</u>	<u>27</u>	<u>(35,092)</u>	<u>(1)</u>
	<b>Earnings per share (note (6)(p))</b>				
9750	Basic net income per share (NT dollars)	<u>\$</u>	<u>5.27</u>	<u>\$</u>	<u>1.67</u>
9850	Diluted net income per share (NT dollars)	<u>\$</u>	<u>5.26</u>	<u>\$</u>	<u>1.66</u>

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent												
						Total other equity interest							
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Equity attributable to predecessors' interests under common control	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total							
<b>Balance at January 1, 2020 (Restated)</b>	\$ 1,974,846	53,411	1,715,537	359,487	6,366,772	8,441,796	(541,143)	5,453	(535,690)	9,934,363	-	-	9,934,363
Retrospective adjustment of equity attributable to predecessors' interests under common control	-	-	-	-	-	-	-	-	-	-	37,836	28,377	66,213
Adjusted balance at January 1, 2020 (Restated)	<u>1,974,846</u>	<u>53,411</u>	<u>1,715,537</u>	<u>359,487</u>	<u>6,366,772</u>	<u>8,441,796</u>	<u>(541,143)</u>	<u>5,453</u>	<u>(535,690)</u>	<u>9,934,363</u>	<u>37,836</u>	<u>28,377</u>	<u>10,000,576</u>
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	32,033	-	(32,033)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	176,203	(176,203)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(157,988)	(157,988)	-	-	-	(157,988)	-	-	(157,988)
	<u>-</u>	<u>-</u>	<u>32,033</u>	<u>176,203</u>	<u>(366,224)</u>	<u>(157,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,988)</u>	<u>-</u>	<u>-</u>	<u>(157,988)</u>
Net income for the year ended December 31, 2020	-	-	-	-	329,039	329,039	-	-	-	329,039	(4,943)	(3,708)	320,388
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(7,178)	(7,178)	(613,577)	265,275	(348,302)	(355,480)	-	-	(355,480)
Total comprehensive income for the year ended December 31, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,861</u>	<u>321,861</u>	<u>(613,577)</u>	<u>265,275</u>	<u>(348,302)</u>	<u>(26,441)</u>	<u>(4,943)</u>	<u>(3,708)</u>	<u>(35,092)</u>
<b>Balance at December 31, 2020 (Restated)</b>	<b>\$ 1,974,846</b>	<b>53,411</b>	<b>1,747,570</b>	<b>535,690</b>	<b>6,322,409</b>	<b>8,605,669</b>	<b>(1,154,720)</b>	<b>270,728</b>	<b>(883,992)</b>	<b>9,749,934</b>	<b>32,893</b>	<b>24,669</b>	<b>9,807,496</b>
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	32,186	-	(32,186)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	348,302	(348,302)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	(315,975)	-	-	(315,975)
	<u>-</u>	<u>-</u>	<u>32,186</u>	<u>348,302</u>	<u>(696,463)</u>	<u>(315,975)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(315,975)</u>	<u>-</u>	<u>-</u>	<u>(315,975)</u>
Net income for the year ended December 31, 2021	-	-	-	-	1,040,604	1,040,604	-	-	-	1,040,604	(2,412)	(7,184)	1,031,008
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(10,776)	(10,776)	(153,669)	102,893	(50,776)	(61,552)	-	-	(61,552)
Total comprehensive income for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,828</u>	<u>1,029,828</u>	<u>(153,669)</u>	<u>102,893</u>	<u>(50,776)</u>	<u>979,052</u>	<u>(2,412)</u>	<u>(7,184)</u>	<u>969,456</u>
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(2,399)	(2,399)	-	-	-	(2,399)	2,399	-	-
Effect of reorganization	-	-	-	-	-	-	-	-	-	-	(32,880)	-	(32,880)
<b>Balance at December 31, 2021</b>	<b><u>\$ 1,974,846</u></b>	<b><u>53,411</u></b>	<b><u>1,779,756</u></b>	<b><u>883,992</u></b>	<b><u>6,653,375</u></b>	<b><u>9,317,123</u></b>	<b><u>(1,308,389)</u></b>	<b><u>373,621</u></b>	<b><u>(934,768)</u></b>	<b><u>10,410,612</u></b>	<b><u>-</u></b>	<b><u>17,485</u></b>	<b><u>10,428,097</u></b>



**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	2021	2020 (Restated)
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,113,000	343,391
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	889,244	932,021
Expected credit loss	87	16
Net gain on financial assets at fair value through profit or loss	(765,076)	(438,392)
Interest expense	97,033	150,245
Interest income	(8,211)	(25,367)
Dividend income	(33,974)	(13,616)
Share of profit of associates and joint ventures accounted for using equity method	(21,814)	(72,594)
Net (gain) loss on disposal of property, plant and equipment	(6,635)	3,168
Loss on disposal of investments accounted for using equity method, net	-	230,254
Others	(261)	(315)
<b>Total adjustments to reconcile profit (loss)</b>	<b>150,393</b>	<b>765,420</b>
<b>Changes in operating assets:</b>		
Increase in notes and accounts receivable (including related parties)	(48,358)	(7,405)
Increase in other current assets	(93,426)	(13,693)
Increase in other current financial assets	(9,913)	(13,071)
	<b>(151,697)</b>	<b>(34,169)</b>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in notes and accounts payable	73,955	(73,590)
Increase in current contract liabilities	21,081	14,809
Decrease (increase) in other current liabilities	22,839	(34,949)
Decrease in net defined benefit liabilities	(4,306)	(2,825)
	<b>113,569</b>	<b>(96,555)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(38,128)</b>	<b>(130,724)</b>
<b>Total adjustments</b>	<b>112,265</b>	<b>634,696</b>
Cash inflow generated from operations	1,225,265	978,087
Interest received	9,048	30,415
Dividend received	60,287	52,052
Interest paid	(109,394)	(159,858)
Income taxes paid	(50,121)	(36,809)
<b>Net cash flows from operating activities</b>	<b>1,135,085</b>	<b>863,887</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(109,750)
Proceeds from disposal of financial assets at fair value through other comprehensive income	507,139	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,608	5,500
Acquisition of financial assets at fair value through profit or loss	(37,039)	(326,105)
Proceeds from disposal of financial assets at fair value through profit or loss	475,128	48,996
Proceeds from disposal of investments accounted for using equity method	-	358,940
Acquisition of property, plant and equipment	(1,070,040)	(118,146)
Proceeds from disposal of property, plant and equipment	11,641	13,507
Increase in other non-current assets	(28,837)	(29,437)
Increase in other current financial assets	(95,847)	(24,844)
Decrease (increase) in other non-current financial assets	(3,837)	3,166
Decrease in equity attributable to predecessors' interests under common control	(32,880)	-
<b>Net cash flows used in investing activities</b>	<b>(270,964)</b>	<b>(178,173)</b>
<b>Cash flows used in financing activities:</b>		
Increase (decrease) in short-term borrowings	1,264,841	(1,334,943)
Proceeds from issuance of bonds	-	2,500,000
Repayments of bonds	(2,300,000)	(400,000)
Proceeds from long-term borrowings	712,172	-
Repayments of long-term borrowings	(902,517)	(643,754)
Payment of lease liabilities	(46,008)	(46,581)
Cash dividends paid	(315,975)	(157,988)
Others	2,511	(293)
<b>Net cash flows used in financing activities</b>	<b>(1,584,976)</b>	<b>(83,559)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(36,112)</b>	<b>(166,778)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(756,967)</b>	<b>435,377</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,814,015</b>	<b>3,378,638</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 3,057,048</b>	<b>3,814,015</b>

## **Independent Auditors' Report**

To the Board of Directors of CHINESE MARITIME TRANSPORT LTD.:

### **Opinion**

We have audited the financial statements of CHINESE MARITIME TRANSPORT LTD. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020 (restated), the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 (restated), and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

### **Other Matter**

We did not audit the financial statements of the investee which represented the investment in another entity accounted for using the equity method of the Company. Those statements were audited by another auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amount

is based solely on the report of other auditors. The investment accounted for using the equity method constitutes 3.88% of total assets at December 31, 2021. The related share of profit of associates accounted for using the equity method constitutes 2.04% of total profit before tax for the year ended December 31, 2021.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters that should be communicated in the audit report are as follows:

### **1. Recognition of freight revenue—container hauling**

Please refer to Note (4)(o) for the accounting policy of “Revenue” and to Note (6)(o) “Revenue from contracts with customers” for information details.

#### **Description of key audit matters:**

The main activities of the Company are container hauling and related business. Freight revenue container hauling is one of the significant items in the financial statements, and the amounts and changes may affect the users’ understanding on the entire financial statements. Therefore, the testing over freight revenue container hauling recognition is considered a key matter in our audit.

#### **Audit Procedure:**

Our principal audit procedures included testing related controls over sale and receipts cycle, executing the confirmation process used to examine accounts receivable and revenue of major customers, and evaluating if the Company’s timing of revenue recognition is accurate in accordance with related accounting standards.

### **2. Freight revenue—vessel chartering, using equity method investment, subsidiary**

Please refer to Note (4)(h) for the accounting policy of “Investments in subsidiary”, and to Note (6)(e) for “Investments accounted for using equity

method”.

#### Description of key audit matters:

The main activity of some of the subsidiaries, accounted for using equity method investment, is operating bulk carrier. Freight revenue vessel chartering is one of the significant items in the financial statements, and the amounts and changes may affect the users’ understanding on the entire financial statements. Therefore, the testing over freight revenue vessel chartering recognition is considered a key matter in our audit.

#### Audit procedure:

Our principal audit included testing related controls over sale and receipts cycle of those subsidiaries, which are investments using equity method, executing substantive analytical procedures of freight revenue-vessel chartering, assessing contract liabilities, and evaluating if the timing of revenue recognition for freight revenue, vessel chartering, is accurate in accordance with related accounting standards.

#### 3. Assessment of impairment on property, plant and equipment, using equity method investment, subsidiary

Please refer to Note (4)(j) and Note (4)(m) for the accounting policies of impairment assessment of property, plant and equipment; Note (5)(a) for the assumptions and estimation uncertainty of impairment assessment of property, plant and equipment; and Note (6)(f) for the related disclosure of property, plant and equipment.

Please refer to Note (4)(h) for the accounting policy of “Investment in subsidiary” and Note (6)(e) for “Investments accounted for using equity method.

#### Description of key audit matters:

The main activities of the Company and the subsidiaries, accounted for using equity method investment, are bulk carrier operation, domestic container hauling and storage, and related business. The industry of the Company is affected by the variability of global economy and the highly competitive environment of shipping market, causing a drastic profit change in the shipping industry and posing a potential risk of impairment of transportation equipment of property, plant and equipment. Therefore, assessing whether the asset impairment incurs and conducting a test over

impairment are considered key matters of our audit.

#### Audit procedure:

Our principal audit procedures included: understanding and assessing the related policies, internal control and processing procedure of impairment assessment of the Company; evaluating the reasonability of discounting rate and external source information about estimating future cash flows, including reviewing the information source of the estimation; examining the input numbers of valuation model and equation, as well as recalculating and checking the correctness of the valuation model.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Supervisors) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding investment subsidiary using equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and

performance of the 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 the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2022

**CHINESE MARITIME TRANSPORT LTD.**

**Balance Sheets**

**December 31, 2021 and 2020**

**(Expressed in thousands of New Taiwan Dollars)**

		<b>December 31, 2021</b>		<b>December 31, 2020</b>				<b>December 31, 2021</b>		<b>December 31, 2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note (6)(a))	\$ 358,345	3	1,056,739	7	2100	Short-term borrowings (note (6)(i))	\$ 1,399,795	9	-	-
1150	Notes and accounts receivable, net (note (6)(d))	124,259	1	88,490	1	2150	Notes and accounts payable	3,108	-	1,980	-
1470	Other current assets	15,436	-	17,666	-	2181	Accounts payable to related parties (note (7))	113,901	1	56,450	-
1476	Other current financial assets (note (6)(h))	<u>196,859</u>	<u>1</u>	<u>86,555</u>	<u>-</u>	2300	Other current liabilities (note (7))	69,056	-	69,000	-
		<u>694,899</u>	<u>5</u>	<u>1,249,450</u>	<u>8</u>	2322	Long-term borrowings, current portion (note (6)(i))	<u>400,000</u>	<u>3</u>	<u>2,300,000</u>	<u>15</u>
<b>Non-current assets:</b>								<u>1,985,860</u>	<u>13</u>	<u>2,427,430</u>	<u>15</u>
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	580,093	4	144,059	2	<b>Non-Current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	-	-	515,262	3	2530	Bonds payable (note (6)(i))	2,500,000	17	2,900,000	19
1550	Investments accounted for using equity method, net (note (6)(e))	13,222,238	87	12,851,995	84	2570	Deferred tax liabilities (note (6)(l))	230,136	1	230,518	2
1600	Property, plant and equipment (notes (6)(f) and (8))	538,019	4	513,496	3	2640	Net defined benefit liabilities, non-current (note (6)(k))	1,877	-	1,499	-
1760	Investment property, net (note (6)(g))	20,030	-	20,105	-	2670	Other non-current liabilities, others	<u>408</u>	<u>-</u>	<u>408</u>	<u>-</u>
1780	Intangible assets	8,381	-	9,798	-			<u>2,732,421</u>	<u>18</u>	<u>3,132,425</u>	<u>21</u>
1840	Deferred tax assets (note (6)(l))	2,353	-	2,503	-		<b>Total liabilities</b>	<u>4,718,281</u>	<u>31</u>	<u>5,559,855</u>	<u>36</u>
1900	Other non-current assets	57,424	-	30,558	-		<b>Equity (note (6)(m)):</b>				
1980	Other non-current financial assets (notes (6)(h) and (8))	<u>5,456</u>	<u>-</u>	<u>5,456</u>	<u>-</u>	3100	Common stock	<u>1,974,846</u>	<u>13</u>	<u>1,974,846</u>	<u>13</u>
		<u>14,433,994</u>	<u>95</u>	<u>14,093,232</u>	<u>92</u>	3200	Capital surplus	<u>53,411</u>	<u>-</u>	<u>53,411</u>	<u>-</u>
<b>Total assets</b>		<b><u>\$ 15,128,893</u></b>	<b><u>100</u></b>	<b><u>15,342,682</u></b>	<b><u>100</u></b>		<b>Retained earnings:</b>				
						3310	Legal reserve	1,779,756	12	1,747,570	12
						3320	Special reserve	883,992	6	535,690	4
						3350	Unappropriated earnings	<u>6,653,375</u>	<u>44</u>	<u>6,322,409</u>	<u>41</u>
								<u>9,317,123</u>	<u>62</u>	<u>8,605,669</u>	<u>57</u>
						3400	Other equity interest	<u>(934,768)</u>	<u>(6)</u>	<u>(883,992)</u>	<u>(6)</u>
						35XX	Equity attributable to predecessors' interests under common control	-	-	32,893	-
							<b>Total equity</b>	<u>10,410,612</u>	<u>69</u>	<u>9,782,827</u>	<u>64</u>
							<b>Total liabilities and equity</b>	<b><u>\$ 15,128,893</u></b>	<b><u>100</u></b>	<b><u>15,342,682</u></b>	<b><u>100</u></b>



**CHINESE MARITIME TRANSPORT LTD.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2021 and 2020**

(Expressed in thousands of New Taiwan dollars , Except earnings per share)

		<b>2021</b>		<b>2020 (Restated)</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating Revenues (notes (6)(o), and (7))</b>				
4621	Freight revenue-vessel chartering	\$ 60,933	10	55,096	8
4622	Freight revenue-container hauling and logistics	553,605	86	556,353	86
4623	Freight revenue-airline agent and others	<u>26,445</u>	<u>4</u>	<u>37,613</u>	<u>6</u>
		640,983	100	649,062	100
5000	<b>Total operating costs (notes (6)(k), (7) and (12))</b>	<u>542,974</u>	<u>85</u>	<u>553,289</u>	<u>85</u>
5900	<b>Gross profit</b>	98,009	15	95,773	15
	<b>Operating expenses:</b>				
6000	Operating expenses (notes (6)(k), (q), (7) and (12))	<u>177,692</u>	<u>27</u>	<u>165,682</u>	<u>26</u>
6900	<b>Net operating loss</b>	<u>(79,683)</u>	<u>(12)</u>	<u>(69,909)</u>	<u>(11)</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (notes (6)(b) and (j))	19,579	3	7,887	1
7050	Finance costs-interest expense (note (6)(p))	(55,214)	(9)	(70,456)	(11)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(e))	746,218	116	512,146	79
7100	Interest income	905	-	1,207	-
7210	Gains (losses) on disposal of property, plant and equipment (note (6)(f))	19	-	69	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss(note (6)(b))	439,642	69	92,968	14
7225	Losses on disposal of investments, net (note (6)(e))	-	-	(146,285)	(22)
7590	Miscellaneous disbursements	<u>(81)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>1,151,068</u>	<u>179</u>	<u>397,536</u>	<u>61</u>
7900	<b>Profit from continuing operation before tax</b>	1,071,385	167	327,627	50
7950	<b>Less: Income tax expenses (note(6)(l))</b>	<u>30,781</u>	<u>5</u>	<u>3,531</u>	<u>-</u>
	<b>Profit</b>	<u>1,040,604</u>	<u>162</u>	<u>324,096</u>	<u>50</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans(note(6)(k))	(398)	-	6,566	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(8,123)	(1)	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, items that may not be reclassified to profit or loss (note(6)(c))	100,559	16	252,844	39
8349	Income tax related to items that will not be reclassified to profit or loss (note(6)(l))	<u>(79)</u>	<u>-</u>	<u>1,313</u>	<u>-</u>
		<u>92,117</u>	<u>15</u>	<u>258,097</u>	<u>40</u>
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(141,122)	(22)	(614,672)	(95)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, items that will be reclassified to profit or loss	(13,540)		729	-
			(2)		
8399	Income tax related to items that will be reclassified to profit or loss (note(6)(l))	<u>(993)</u>	<u>-</u>	<u>(366)</u>	<u>-</u>
	<b>Items that may be reclassified to profit or loss</b>	<u>(153,669)</u>	<u>(24)</u>	<u>(613,577)</u>	<u>(95)</u>
8300	<b>Other comprehensive income</b>	<u>(61,552)</u>	<u>(9)</u>	<u>(355,480)</u>	<u>(55)</u>
8500	<b>Total comprehensive income</b>	<u><u>\$ 979,052</u></u>	<u><u>153</u></u>	<u><u>(31,384)</u></u>	<u><u>(5)</u></u>
	<b>Profit attributable to:</b>				
	Owners of parent	\$ 1,040,604	162	329,039	51
8615	Predecessors' interests under common control	<u>-</u>	<u>-</u>	<u>(4,943)</u>	<u>(1)</u>
		<u><u>\$ 1,040,604</u></u>	<u><u>162</u></u>	<u><u>324,096</u></u>	<u><u>50</u></u>
	<b>Comprehensive income attributable to:</b>				
	Owners of parent	\$ 979,052	153	(26,441)	(4)
	Predecessors' interests under common control	<u>-</u>	<u>-</u>	<u>(4,943)</u>	<u>(1)</u>
		<u><u>\$ 979,052</u></u>	<u><u>153</u></u>	<u><u>(31,384)</u></u>	<u><u>(5)</u></u>
	<b>Earnings per share (note (6)(n))</b>				
9750	<b>Basic net income per share (NT dollars)</b>	<u><u>\$ 5.27</u></u>		<u><u>1.67</u></u>	
9850	<b>Diluted net income per share (NT dollars)</b>	<u><u>\$ 5.26</u></u>		<u><u>1.66</u></u>	

**CHINESE MARITIME TRANSPORT LTD.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2021 and 2020**  
**(Expressed in thousands of New Taiwan dollars)**

	Total other equity interest										
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Equity attributable to predecessors' interests under common control	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total					
Balance at January 1, 2020	\$ 1,974,846	53,411	1,715,537	359,487	6,366,772	8,441,796	(541,143)	5,453	(535,690)	-	9,934,363
Retrospective adjustment of equity attributable to former owner due to reorganization of entities under common control	-	-	-	-	-	-	-	-	-	37,836	37,836
Adjusted balance at January 1, 2020 (Restated)	1,974,846	53,411	1,715,537	359,487	6,366,772	8,441,796	(541,143)	5,453	(535,690)	37,836	9,972,199
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	32,033	-	(32,033)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	176,203	(176,203)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(157,988)	(157,988)	-	-	-	-	(157,988)
	-	-	32,033	176,203	(366,224)	(157,988)	-	-	-	-	(157,988)
Net income for the year ended December 31, 2020	-	-	-	-	329,039	329,039	-	-	-	(4,943)	324,096
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(7,178)	(7,178)	(613,577)	265,275	(348,302)	-	(355,480)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	321,861	321,861	(613,577)	265,275	(348,302)	(4,943)	(31,384)
Balance at December 31, 2020 (Restated)	1,974,846	53,411	1,747,570	535,690	6,322,409	8,605,669	(1,154,720)	270,728	(883,992)	32,893	9,782,827
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	32,186	-	(32,186)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	348,302	(348,302)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	-	(315,975)
	-	-	32,186	348,302	(696,463)	(315,975)	-	-	-	-	(315,975)
Net income for the year ended December 31, 2021	-	-	-	-	1,040,604	1,040,604	-	-	-	(2,412)	1,038,192
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(10,776)	(10,776)	(153,669)	102,893	(50,776)	-	(61,552)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,029,828	1,029,828	(153,669)	102,893	(50,776)	(2,412)	976,640
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(2,399)	(2,399)	-	-	-	2,399	-
Effect of reorganization	-	-	-	-	-	-	-	-	-	(32,880)	(32,880)
Balance at December 31, 2021	\$ 1,974,846	53,411	1,779,756	883,992	6,653,375	9,317,123	(1,308,389)	373,621	(934,768)	-	10,410,612

**CHINESE MARITIME TRANSPORT LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2021 and 2020**

**(Expressed in thousands of New Taiwan dollars)**

	<u>2021</u>	<u>2020 (Restated)</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 1,071,385	327,627
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization expense	14,633	10,122
Net gain on financial assets or liabilities at fair value through profit or loss	(439,642)	(92,968)
Interest expense	55,214	70,456
Interest income	(905)	(1,207)
Dividend income	(2,984)	(120)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(746,218)	(512,146)
Gain on disposal of property, plant and equipment	(19)	(69)
Net loss on disposal of investments	-	146,285
<b>Total adjustments to reconcile profit (loss)</b>	<u>(1,119,921)</u>	<u>(379,647)</u>
<b>Changes in operating assets:</b>		
Decrease (increase) in notes and accounts receivable (including related parties)	(35,769)	88,596
Increase in other current assets	(14,111)	(11,390)
Decrease (increase) in other financial assets	<u>18,567</u>	<u>(18,486)</u>
	<u>(31,313)</u>	<u>58,720</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in notes and accounts payable	58,579	(52,279)
Decrease in net defined benefit liabilities	(20)	(1,090)
Increase in other payable and other current liabilities	<u>10,790</u>	<u>4,440</u>
	<u>69,349</u>	<u>(48,929)</u>
<b>Total changes in operating assets and liabilities</b>	<u>38,036</u>	<u>9,791</u>
<b>Total adjustments</b>	<u>(1,081,885)</u>	<u>(369,856)</u>
Cash inflow used in operations	(10,500)	(42,229)
Interest received	1,084	999
Dividends received	746,479	593,391
Interest paid	(66,502)	(68,497)
Income taxes paid	<u>(29,387)</u>	<u>(18,429)</u>
<b>Net cash flows from operating activities</b>	<u>641,174</u>	<u>465,235</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from capital reduction of financial assets at fair value through profit or loss	507,139	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,608	5,500
Acquisition of investments accounted for using equity method	(709,272)	(414,500)
Proceeds from disposal of investments accounted for using equity method	-	136,686
Proceeds from capital reduction of investments accounted for using equity method	285,000	-
Acquisition of property, plant and equipment (including prepayment for equipment)	(19,133)	(10,936)
Proceeds from disposal of property, plant and equipment	19	240
Increase in other non-current assets	(29,056)	(30,110)
Increase in other current financial assets	(128,813)	(67,657)
Decrease in equity attributable to predecessors' interests under common control	(32,880)	-
Other investing activities	-	1,889
<b>Net cash flows used in investing activities</b>	<u>(123,388)</u>	<u>(378,888)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	1,399,795	(1,299,883)
Proceeds from issuance of bonds	-	2,500,000
Repayments of long-term borrowings	(2,300,000)	(400,000)
Cash dividends paid	<u>(315,975)</u>	<u>(157,988)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>(1,216,180)</u>	<u>642,129</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(698,394)	728,476
<b>Cash and cash equivalents at beginning of period</b>	1,056,739	328,263
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 358,345</u></u>	<u><u>1,056,739</u></u>

## Attachment 4

### Amendment comparison table for the Article of Incorporation

After Amendment	Before Amendment
Section IV – Directors and Audit Committee	Section IV – Directors and Supervisors
<p>Article 16</p> <p>The Corporation shall have five (5) to nine (9) directors. The aforesaid board of directors must have at least three (3) independent directors, and shall not be less than one-fifth of the number of directors.</p> <p>Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 and 216-1 of the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster. The term of office of a director shall be three (3) years, and all are eligible for re-election. The aggregate number of the registered shares held by the all directors shall be subject to the regulations made by the competent securities authority.</p> <p>The Corporation may obtain liability insurance for directors, including the proxies in the Corporation's investment entities, with respect to legal liabilities for compensation resulting from acting within the scope of exercising their duties during their terms of occupancy.</p> <p>The board of directors is authorized to determine the remuneration for chairman, directors taking into</p>	<p>Article 16</p> <p>The Corporation shall have five (5) to nine (9) directors, and two (2) to three (3) supervisors. The aforesaid board of directors must have at least two (2) independent directors, and shall not be less than one-fifth of the number of directors.</p> <p>Directors and supervisors shall be elected by adopting candidates nomination system as specified in Article 192-1 and 216-1 of the Company Act. The shareholders shall elect the directors and supervisors from among the nominees listed in the roster. The term of office of a director/supervisor shall be three (3) years, and all are eligible for re-election. The aggregate number of the registered shares held by the all directors and supervisors shall be subject to the regulations made by the competent securities authority.</p> <p>The Corporation may obtain liability insurance for directors and supervisors, including the proxies in the Corporation's investment entities, with respect to legal</p>

After Amendment	Before Amendment
<p>account the extent and value of the services provided for the management of the Corporation and the standards of the industry.</p>	<p>liabilities for compensation resulting from acting within the scope of exercising their duties during their terms of occupancy.</p> <p>The board of directors is authorized to determine the remuneration for chairman, directors, and supervisors taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry.</p>
<p>Article16-1</p> <p>In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an audit committee, which is composed of all independent directors and is responsible for implementing the functions and powers of supervisors stipulated by the Company Act, the Securities and Exchange Act, and other laws and regulations.</p> <p>The exercise of powers by audit committee and other matters to be followed shall be handled in accordance with relevant laws and regulations, and its charter shall be formulated by the Board of Directors.</p>	<p>Article16-1</p> <p>Since the 17<sup>th</sup> session of the board of directors of the Corporation, an audit committee has been set up, and the relevant regulations on supervisors in this charter are no longer applicable.</p>
<p>Article 17</p> <p>When one-third of the directors or all independent directors have vacated their offices, a special shareholders' meeting shall be convened by the</p>	<p>Article 17</p> <p>When one-third of the directors or all supervisors have vacated their offices, a special shareholders' meeting shall be convened by the</p>

After Amendment	Before Amendment
board of directors within sixty (60) days to elect new directors or independent directors to fill the vacancies. The term of office of the newly elected director or independent director shall be the same as the remaining term of the predecessor.	board of directors within sixty (60) days to elect new directors or supervisors to fill the vacancies. The term of office of the newly elected director or supervisor shall be the same as the remaining term of the predecessor.
<p>Article 18</p> <p>In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of outgoing directors shall be extended until the time new directors have been elected and assumed their office.</p>	<p>Article 18</p> <p>In case no election of new directors/supervisors is effected after expiration of the term of office of existing directors/supervisors, the term of office of outgoing directors/supervisors shall be extended until the time new directors/supervisors have been elected and assumed their office.</p>
<p>Article 23</p> <p>(Deleted)</p>	<p>Article 23</p> <p>Supervisors may exercise the supervision power individually, and attend the meeting of the board of directors to their opinions, but no voting power.</p>
<p>Article 25</p> <p>At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to audit committee for their auditing, not later than thirty (30) days before the convention of the regular shareholders' meeting, and such documents shall be submitted to the regular shareholders' meeting for acceptance.</p>	<p>Article 25</p> <p>At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing, not later than thirty (30) days before the convention of the regular shareholders' meeting, and such documents shall be submitted to the regular</p>

After Amendment	Before Amendment
<p>(1) the business report (2) the financial statements (3) the surplus earning distribution or loss off-setting proposals</p>	<p>shareholders' meeting for acceptance. (1) the business report (2) the financial statements (3) the surplus earning distribution or loss off-setting proposals</p>
<p>Article 26</p> <p>If the Corporation makes profits for the current year, the board of directors shall resolve on the allocation of 0.5%~2% as the employee compensation and no more than 2% as the compensation for directors. If the Corporation has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation.</p> <p>The calculation of the employee/directors compensation shall be made base on the amount of profit before tax (excluding employee/directors compensation).</p> <p>The Corporation may have the profit distribution as employee compensation in the form of shares or in cash, shall be adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report such distribution to the shareholders' meeting.</p>	<p>Article 26</p> <p>If the Corporation makes profits for the current year, the board of directors shall resolve on the allocation of 0.5%~2% as the employee compensation and no more than 2% as the compensation for directors/supervisors. If the Corporation has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation.</p> <p>The calculation of the employee/directors/supervisors compensation shall be made base on the amount of profit before tax (excluding employee/directors/supervisors compensation).</p> <p>The Corporation may have the profit distribution as employee compensation in the form of shares or in cash, shall be adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report such distribution to the</p>

After Amendment	Before Amendment
	shareholders' meeting.
<p>Article 28</p> <p>.....</p> <p>the fortieth-fourth amendment on August 31, 2021, the fortieth-fifth amendment on May 12, 2022.</p>	<p>Article 28</p> <p>.....</p> <p>the fortieth-fourth amendment on August 31, 2021.</p>



## Attachment 5

### Amendment comparison table for the Rules and Procedures of Shareholders Meeting

After Amendment	Before Amendment
<p>Article 15</p> <p>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 the Corporation. Vote counting for Meeting proposals or elections shall be conducted in public at the place of the 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. The voting results of the election of directors at Meeting shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.</p>	<p>Article 15</p> <p>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 the Corporation. Vote counting for Meeting proposals or elections shall be conducted in public at the place of the 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. The voting results of the election of directors or supervisors at Meeting 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>Article 16 (Deleted)</p>	<p>Article 16</p> <p>When Meeting is in progress, the chair may announce a break based on time considerations.</p>

## Attachment 6

### Amendment comparison table for the Procedures for Election of Directors and Supervisors

After Amendment	Before Amendment
Procedures for Election of Directors	Procedures for Election of Directors and Supervisors
<p>Article 1</p> <p>Except as otherwise provided by law and regulation or by the Corporation's Article of Incorporation, election of directors shall be conducted in accordance with these Procedures.</p>	<p>Article 1</p> <p>Except as otherwise provided by law and regulation or by the Corporation's Article of Incorporation, election of directors and supervisors shall be conducted in accordance with these Procedures.</p>
<p>Article 2</p> <p>There should be more than half of directors of the Corporation must not have one of the following relationship:</p> <ol style="list-style-type: none"> <li>1.Spouse</li> <li>2.Relatives within the second degree</li> </ol>	<p>Article 2</p> <p>There should be more than half of directors of the Corporation, and there should be at least one of supervisors or between supervisors and directors and must not have one of the following relationship:</p> <ol style="list-style-type: none"> <li>1.Spouse</li> <li>2.Relatives within the second degree</li> </ol>
<p>Article 3</p> <p>If the elected directors of the Corporation do not comply with the provisions of Article 2 of this procedures, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.</p>	<p>Article 3</p> <p>If the elected directors and supervisors of the Corporation do not comply with the provisions of Article 2 of this procedures, the elected directors and supervisors shall be determined in accordance with the following provisions.</p> <ol style="list-style-type: none"> <li>1. When there are some among the directors, who do not meet the conditions, the election of the director receiving the lowest number of votes among those not</li> </ol>

After Amendment	Before Amendment
	<p>meeting the conditions shall be deemed invalid.</p> <p>2. When there are some among the supervisors who do not meet the conditions, the provisions of the preceding subparagraph shall apply mutatis mutandis.</p> <p>3. When there are some among the directors and supervisors who do not meet the conditions, the election of the supervisor receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.</p>
<p>Article 4</p> <p>The election of directors adopts the candidate nomination system in accordance with Article 192-1 of the Company Act, shareholders shall choose from the list of candidates for Directors.</p>	<p>Article 4</p> <p>The election of directors and supervisors adopts the candidate nomination system in accordance with Article 192-1 and Article 216-1 of the Company Act, shareholders shall choose from the list of candidates for Directors and Supervisors.</p>
<p>Article 5</p> <p>The cumulative voting method shall be used for election for the directors at the Corporation, and may be cast for a single candidate or split among multiple candidates.</p> <p>Independent directors and non-independent directors shall be elected together, and the number of candidates shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected in</p>	<p>Article 5</p> <p>The cumulative voting method shall be used for election for the directors and supervisors at the Corporation, and may be cast for a single candidate or split among multiple candidates.</p> <p>Independent directors and non-independent directors shall be elected together, and the number of candidates shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected in turn.</p>

After Amendment	Before Amendment
<p>turn.</p> <p>The qualifications and election of the independent directors of the Corporation shall comply with the Company Act and the Regulations Governing Appointment of independent directors and Compliance Matters for Public Companies.</p>	<p>The qualifications and election of the independent directors of the Corporation shall comply with the Company Act and the Regulations Governing Appointment of independent directors and Compliance Matters for Public Companies.</p>
<p>Article 7</p> <p>The number of directors election will be as specified in the Corporation's Article of Incorporation and the resolution by the Board of Directors. When two or more persons receive the same number of votes, thus exceeding the specified number of position, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p>Article 7</p> <p>The number of directors and supervisors election will be as specified in the Corporation's Article of Incorporation and the resolution by the Board of Directors. When two or more persons receive the same number of votes, thus exceeding the specified number of position, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>
<p>Article 11</p> <p>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.</p>	<p>Article 11</p> <p>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 supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p>
<p>Article 12</p> <p>The board of directors shall issue notifications to the persons elected as directors.</p>	<p>Article 12</p> <p>The board of directors shall issue notifications to the persons elected as directors and supervisors.</p>

## Attachment 7

### Amendment comparison table for the Procedures for Lending Funds to Other Parties

After Amendment	Before Amendment
<p>Contents</p> <p>Article 4</p> <p>Procedures for handling loans of funds:</p> <p>.....</p> <p>3.Scope of authorization</p> <p>When the Corporation handles capital loans, after the financial department has credited it, with the approval of more than one-half of all members of the audit committee, the loans of funds shall be submitted for a resolution by the board of directors, and the chair may be authorized, for a specific borrowing counterparty, within a certain monetary limit approved by the board of directors, and within a period not to exceed one year, to give loans in installments or make a revolving credit line available for the counterparty to draw down, but the certain limit shall not exceed 10% of the net worth.</p>	<p>Contents</p> <p>Article 4</p> <p>Procedures for handling loans of funds:</p> <p>.....</p> <p>3.Scope of authorization</p> <p>When the Corporation handles capital loans, after the financial department has credited it, the loans of funds shall be submitted for a resolution by the board of directors, and the chair may be authorized, for a specific borrowing counterparty, within a certain monetary limit approved by the board of directors, and within a period not to exceed one year, to give loans in installments or make a revolving credit line available for the counterparty to draw down, but the certain limit shall not exceed 10% of the net worth. The opinions of independent directors shall be fully considered when the board of directors meeting is held. If independent directors have objections or reservations, they shall be stated in the minutes of the board of directors.</p>
<p>Article 4</p> <p>Internal control:</p> <p>.....</p> <p>2.The Corporation's internal auditors shall audit the Procedures for Lending Funds to Other Parties and the</p>	<p>Article 4</p> <p>Internal control:</p> <p>.....</p> <p>2.The Corporation's internal auditors shall audit the Procedures for Lending Funds to Other Parties and the</p>

After Amendment	Before Amendment
<p>implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found. When handling fund loans, the Corporation's managers and sponsors shall follow the provisions of this operating procedures, if there is a violation, it shall be handled in accordance with the punishment method of the human resources department's work rules.</p> <p>3.If, as a result of a change in circumstances, an entity for which a fund loan is made does not meet the requirements of these regulations, or the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to audit committee, and shall complete the rectification according to the timeframe set out in the plan.</p>	<p>implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found. When handling fund loans, the Corporation's managers and sponsors shall follow the provisions of this operating procedures, if there is a violation, it shall be handled in accordance with the punishment method of the human resources department's work rules.</p> <p>3.If, as a result of a change in circumstances, an entity for which a fund loan is made does not meet the requirements of these regulations, or the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>4.The above mentioned matters notified to the supervisors in writing shall be notified to the independent directors in writing at the same time.</p>
<p>Effective and amendment</p> <p>The formulation or revision of the Procedures for Lending Funds to Other Parties shall be approved by the audit committee and then submitted to the shareholders meeting for approval after being</p>	<p>Effective and amendment</p> <p>The Corporation has established the Procedures for Lending Funds to Other Parties. After approval by the board of directors, it shall be sent to supervisors and submitted to the shareholders meeting for</p>

After Amendment	Before Amendment
<p>approved by the Board of Directors. If a director expresses an objection and has a record or a written statement, the Corporation shall send the objection to the audit committee and report to the shareholders meeting for discussion.</p> <p>Matters subject to the approval of the Audit Committee as stipulated in this operating procedure, if not approved by more than one-half of all the members of the Audit Committee, may be carried out with the consent of more than two-thirds of all the directors, and shall be stated in the minutes of the Board of Directors meeting of the Audit Committee the decision. All members of the Audit Committee and all directors are counted on the basis of the actual incumbents.</p>	<p>approval. If a director expresses an objection and has a record or a written statement, the Corporation shall send the objection to the supervisors and report to the shareholders meeting for discussion, and the amendment is the same.</p> <p>The Corporation submits the Procedures for Lending Funds to Other Parties for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of board of directors.</p>

## Attachment 8

### Amendment comparison table for the Procedures for Endorsement and Guarantee

After Amendment	Before Amendment
<p>Article 3 Object of endorsements/guarantees</p> <p>.....</p> <p>Companies in which the Corporation holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, should be consented by more than half of all members of the audit committee, and approved by the resolution of the board of directors. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Corporation, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.</p> <p>.....</p>	<p>Article 3 Object of endorsements/guarantees</p> <p>.....</p> <p>Companies in which the Corporation holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, after passage by the Board of Directors, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Corporation, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.</p> <p>.....</p>
<p>Article 5 Hierarchy of decision-making authority and delegation thereof</p> <p>1. The Corporation's handling of endorsement/guarantee matters shall be approved by the resolution of the board of directors. The board of directors may authorize the chair to make a decision within the limit of NT\$100 million in a single transaction in accordance with the relevant provisions of this procedures, and</p>	<p>Article 5 Hierarchy of decision-making authority and delegation thereof</p> <p>1. The Corporation's handling of endorsement/guarantee matters shall be approved by the resolution of the board of directors. Those who have established independent directors shall fully consider the opinions of independent directors. If an independent director expresses dissent or reservation, it shall be</p>



After Amendment	Before Amendment
<p>then report to the next board of directors meeting for ratification.</p> <p>2. Where the Corporation need to exceed the limits set out in these procedures to satisfy its business requirements, and where the conditions set out in these procedures are complied with, it shall obtain approval from the board of directors and half or more of directors shall act as joint guarantors for any loss that may be caused to the Corporation by the excess endorsement/guarantee. It shall also amend the Procedures for Endorsement and Guarantee accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Corporation shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>3. The Corporation's handling of endorsement/guarantee matters shall be consented by more than half of all members of the audit committee agree, and approved by the resolution of the board of directors.</p>	<p>recorded in the minutes of the board of directors. The board of directors may authorize the chair to make a decision within the limit of NT\$100 million in a single transaction in accordance with the relevant provisions of this procedures, and then report to the next board of directors meeting for ratification.</p> <p>2. Where the Corporation need to exceed the limits set out in these procedures to satisfy its business requirements, and where the conditions set out in these procedures are complied with, it shall obtain approval from the board of directors and half or more of directors shall act as joint guarantors for any loss that may be caused to the Corporation by the excess endorsement/guarantee. It shall also amend the Procedures for Endorsement and Guarantee accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Corporation shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>Those who have established independent directors, when it makes endorsements/guarantees for others, it shall fully consider the opinions of independent directors. If an independent director</p>

After Amendment	Before Amendment
	expresses dissent or reservation, it shall be recorded in the minutes of the board of directors.
<p>Article 6 Procedures for making endorsements/guarantees .....</p> <p>5. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these procedures or the amount of endorsement/guarantee exceeds the limit due to the change in the basis on which the limit is calculated, the endorsement/guarantee amount or the excess part of the limit, it shall be eliminated upon the expiration of the contract period or the improvement plan shall be sent to the audit committee and reported to the board of directors.</p>	<p>Article 6 Procedures for making endorsements/guarantees .....</p> <p>5. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these procedures or the amount of endorsement/guarantee exceeds the limit due to the change in the basis on which the limit is calculated, the endorsement/guarantee amount or the excess part of the limit, it shall be eliminated upon the expiration of the contract period or the improvement plan shall be sent to the supervisors and independent directors and reported to the board of directors.</p>
<p>Article 8 Internal control</p> <p>1. The Corporation's internal auditor shall audit the endorsement/guarantee operating procedures for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.</p> <p>2. ....</p> <p>3. When the Corporation or its subsidiary endorse subsidiary whose net worth is less than one-</p>	<p>Article 8 Internal control</p> <p>1. The Corporation's internal auditor shall audit the endorsement/guarantee operating procedures for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.</p> <p>2. ....</p> <p>3. When the Corporation or its subsidiary endorse subsidiary whose net worth is less than one-half of the paid-in capital, it shall</p>

After Amendment	Before Amendment
<p>half of the paid-in capital, it shall strengthen risk control and check its financial statements on a monthly basis, and make a written record. If there is any abnormality, it should be reported to the audit committee immediately.</p>	<p>strengthen risk control and check its financial statements on a monthly basis, and make a written record. If there is any abnormality, it should be reported to the supervisors immediately.</p>
<p>Article 9 Procedures for custody of corporate chop</p> <p>1. The Corporation uses the corporation seal applied to Ministry of Economic Affairs as the special seal for endorsement/guarantee. The seal and guarantee notes shall be kept by special persons, and the notes shall be printed and issued in accordance with the prescribed procedures.</p> <p>2. If the Corporation acts as a guarantee for a foreign company, the letter of guarantee issued by the Corporation should be signed by the person authorized by the board of directors.</p>	<p>Article 9 Procedures for custody of corporate chop</p> <p>1. The Corporation uses the corporation seal applied to Ministry of Economic Affairs as the special seal for endorsement/guarantee. The seal and guarantee notes shall be kept by special persons, and the notes shall be printed and issued in accordance with the prescribed procedures. When the person who keeps the seal is appointed, dismissed or changed, it shall be approved by the board of directors.</p> <p>2. If the Corporation acts as a guarantee for a foreign company, the letter of guarantee issued by the Corporation should be signed by the person authorized by the board of directors.</p>
<p>Article 13</p> <p>The procedure's adoption or amendment shall be consented by more than half of all members of the audit committee, and approved by the resolution of the board of directors, then submitted to the shareholders' meeting for approval.</p>	<p>Article 13</p> <p>After the Procedures are approved by the board of directors, it shall be sent to supervisors and submitted to the shareholders meeting for approval. If a director expresses an objection and has a record or a written statement, the Corporation shall send the objection to the supervisors and report to the shareholders meeting</p>

After Amendment	Before Amendment
<p>If a matter set out in the procedures, has not been consented to by one-half or more of the entire membership of the audit committee, it may be adopted with the consent of two-thirds or more of the entire board of directors, and it shall be specifically recorded in the minutes of board of directors. All members of the audit committee and all directors are calculated based on the actual incumbents.</p>	<p>for discussion, and the amendment is the same.</p> <p>The Corporation submits the Procedures for Endorsement and Guarantee for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of board of directors.</p>

## Attachment 9

### Amendment comparison table for the Procedures for Acquisition or Disposal of Assets

After Amendment	Before Amendment
<p>Article 4 Noun definition</p> <p>...</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>...</p>	<p>Article 4 Noun definition</p> <p>...</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Paragraph 8, Article 156 of the Company Act.</p> <p>...</p>
<p>Article 7</p> <p>With respect to the Corporation's acquisition or disposal of assets that is subject to the approval of the board of directors under the Corporation's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the director's dissenting opinion to the audit committee.</p>	<p>Article 7</p> <p>With respect to the Corporation's acquisition or disposal of assets that is subject to the approval of the board of directors under the Corporation's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the director's dissenting opinion to each supervisor.</p>

After Amendment	Before Amendment
<p>In accordance with the provisions of the Company Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>
<p>Article 8 Evaluation and operating procedures for acquiring or disposing of real property, equipment or its right-of-use assets.</p> <p>.....</p> <p>2.Appoint a professional appraiser to issue an appraisal report.</p> <p>.....</p> <p>2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the</p>	<p>Article 8 Evaluation and operating procedures for acquiring or disposing of real property, equipment or its right-of-use assets.</p> <p>.....</p> <p>2.Appoint a professional appraiser to issue an appraisal report.</p> <p>.....</p> <p>2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of</p>

After Amendment	Before Amendment
<p>reason for the discrepancy and the appropriateness of the transaction price. .....</p>	<p>Statement of Auditing Standards No.20 published by the Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. .....</p>
<p>Article 9 Evaluation and operating procedures for acquiring or disposing of securities ..... 2.Obtain expert opinion The Corporation acquiring or disposing of securities, if the amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 billion or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the self-discipline of the trade association to which it belongs..... .....</p>	<p>Article 9 Evaluation and operating procedures for acquiring or disposing of securities ..... 2.Obtain expert opinion The Corporation acquiring or disposing of securities, if the amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 billion or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation..... .....</p>
<p>Article 10 Related party transaction 1..... 2.Appraisal and operating procedures</p>	<p>Article 10 Related party transaction 1..... 2.Appraisal and operating procedures</p>

After Amendment	Before Amendment
<p>When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of other assets or right-of-use assets thereof other than real property from or to a related party and the transaction amount reaches the material standards of the preceding paragraph, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:</p> <p>.....</p> <p>If the Corporation or its non-domestic public issued subsidiary has a transaction in paragraph 2 of this Article, and the transaction amount is more than 10 percent of the Corporation's total assets, the Corporation shall submit the information listed in the paragraph 2 to the shareholders' meeting for approval. After that, the transaction contract can be signed and the payment can be made. However, the transaction between the Corporation and the parent company, subsidiaries, or between subsidiary transaction shall not be</p>	<p>When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of other assets or right-of-use assets thereof other than real property from or to a related party and the transaction amount reaches the material standards of the preceding paragraph, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>.....</p>



After Amendment	Before Amendment
<p>limited.</p> <p>3.The degree and the levels of authority delegated.</p> <p>4.5.....</p> <p>4.5.1 .....</p> <p>4.5.2 Audit committee shall comply with Article 218 of the Company Act.</p> <p>.....</p>	<p>3.The degree and the levels of authority delegated.</p> <p>4.5.....</p> <p>4.5.1 .....</p> <p>4.5.2 Supervisors shall comply with Article 218 of the Company Act.</p> <p>.....</p>
<p>Article 11</p> <p>Evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.</p> <p>.....</p> <p>2. Appoint an expert to issue an opinion</p> <p>Where the Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Corporation shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>.....</p>	<p>Article 11</p> <p>Evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.</p> <p>.....</p> <p>2. Appoint an expert to issue an opinion</p> <p>Where the Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Corporation shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No.20 published by the ARDF.</p> <p>.....</p>
<p>Article 13</p> <p>Evaluation and operating procedures for acquiring or</p>	<p>Article 13</p> <p>Evaluation and operating procedures for acquiring or</p>

After Amendment	Before Amendment
<p>disposing of derivatives. .....</p> <p>3. Internal audit system The Corporation's internal audit personnel shall periodically make a determination of the suitability of internal controls on the derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any violation is discovered, audit committee shall be notified in writing.</p> <p>4.Regular assessment method and handling of abnormal situations .....</p> <p>4.3 The head of auditing office shall regularly assess whether the currently used risk management measures are appropriate and are indeed handled in accordance with the processing procedures set out in this article, and supervise transactions and profit and loss situations. When abnormalities are found, they shall take necessary response measures and immediately report to the board of directors and independent directors shall be present on the board of directors and express their opinions. .....</p>	<p>disposing of derivatives. .....</p> <p>3. Internal audit system The Corporation's internal audit personnel shall periodically make a determination of the suitability of internal controls on the derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any violation is discovered, all supervisors and independent directors shall be notified in writing.</p> <p>4. Regular assessment method and handling of abnormal situations .....</p> <p>4.3 The head of auditing office shall regularly assess whether the currently used risk management measures are appropriate and are indeed handled in accordance with the processing procedures set out in this article, and supervise transactions and profit and loss situations. When abnormalities are found, they shall take necessary response measures and immediately report to the board of directors, and the supervisors shall be notified in writing. If independent directors have been established, independent directors shall be present on the board of directors and express their</p>

After Amendment	Before Amendment
	<p>opinions. .....</p>
<p>Article 15 Public disclosure of information .....</p> <p>1.4 Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1.4.1 Trading of domestic government bonds, or foreign bonds of a credit rating not lower than our country's sovereign rating. .....</p>	<p>Article 15 Public disclosure of information .....</p> <p>1.4 Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1.4.1 Trading of domestic government bonds. .....</p>
<p>Article 18 Amendments to this procedure shall be approved by the audit committee and submitted to the shareholders' meeting for approval after being approved by the board of directors. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to audit committee.</p> <p>When the procedures for the acquisition and disposal of assets are submitted for discussion by</p>	<p>Article 18 Implementation and revision After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.</p> <p>Where the position of independent</p>

After Amendment	Before Amendment
<p>the board of directors pursuant to the regulations, the board of directors shall take into full consideration each independent director's opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If the corporation's acquisition or disposal of assets requires a resolution of the board of directors, it must first be approved by audit committee.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented, if approved by the two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" mentioned above are calculated based on the actual incumbents.</p>	<p>director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the regulations, the board of directors shall take into full consideration each independent director's opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented, if approved by the two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" mentioned above are calculated based on the actual incumbents.</p>

After Amendment	Before Amendment
	<p>The regulations concerning independent directors and audit committee in this procedure shall be implemented after the establishment of the company.</p>
<p>Article 20 Additional provisions The Procedures was adopted on June 18, 2003. The first amendment was made on April 29, 2004. The second amendment was made on June 14, 2006. The third amendment was made on June 28, 2007. The fourth amendment was made on June 24, 2008. The fifth amendment was made on June 22, 2012. The sixth amendment was made on June 16, 2014. The seventh amendment was made on June 14, 2017. The eighth amendment was made on June 18, 2019. The ninth amendment was made on May 12, 2022.</p>	<p>Article 20 Additional provisions The Procedures was approved by the shareholders meeting on June 18, 2003. The first amendment was made on April 29, 2004. The second amendment was made on March 21, 2006, after the resolution of the board of directors meeting, and on June 14, 2006 after the resolution of the shareholders meeting. The third amendment was made on April 4, 2007, after the resolution of the board of directors meeting, and on June 28, 2007 after the resolution of the shareholders meeting. The fourth amendment was made on May 8, 2008, after the resolution of the board of directors meeting, and on June 24, 2008 after the resolution of the shareholders meeting. The fifth amendment was made at the shareholders meeting on June 22, 2012. The sixth amendment was passed by a resolution of the shareholders meeting on June 16, 2014. The seventh amendment was passed by a resolution of the shareholders meeting on June 14,</p>

After Amendment	Before Amendment
	<p>2017.</p> <p>The eighth amendment was passed by a resolution of the shareholders meeting on June 18, 2019.</p>

## Attachment 10

### Chinese Maritime Transport Ltd. The List of Candidates for Directors and Independent Directors

Title	Name	Education	Experience	Current Position	Holding shares
Director	AGCMT Group Representative: William Peng	MBA, Columbia University (USA)	CMT Chair CMT Vice Chair CMT Executive Vice President	CMT Chair	42,924,297 shares
Director	AGCMT Group Representative: John Y.K. Peng	BS in Mechanical Engineering, Villanova University (USA)	CMT Honorary Chair AGCMT Chair Bell Telecom Systems Engineer	CMT Honorary Chair AGCMT Chair	42,924,297 shares
Director	AGCMT Group Representative: James S.C. Tai	MSc in Naval Architecture, University of Strathclyde, Glasgow (UK)	CMT President General Manager –cum- Technical Director Fleet Management Department, OOCL	CMT President	42,924,297 shares
Director	AGCMT Group Representative: Muh-Haur Jou	BS in Navigation, National Taiwan Ocean University	AGM Chair CMT Chair CMT President Captain, Honor Ship	AGM Chair	42,924,297 shares
Director	AGCMT Group Representative: Char-Lie Mei	MS in Shipping and Transportation Management, National Taiwan Ocean University	CMT Executive Vice President TNCL President	CMT Executive Vice President	42,924,297 shares
Director	AGCMT Group Representative: Telvin Ju	PhD in Chemistry, University of Miami (USA)	Associated Transport Chair CMT Logistics Chair CMT Senior Vice President Johns Hopkins University, Department of Chemistry researcher	Associated Transport Chair CMT Logistics Chair CMT Senior Vice President	42,924,297 shares
Independent Director	Donald Kuo-Liang Chao	MS in Shipping and Shipbuilding Management, Massachusetts Institute of Technology (USA)	CMT Independent Director CR Classification Society Chair China Steel Express Corporation Chair China Steel Express Corporation President Hong Kong Shougang International Group Board Director Hong Kong Shougang Shipping President	CMT Independent Director	0 shares
Independent Director	Paul Shih-Sheng Lai	PhD in Civil Engineering, Massachusetts Institute of Technology	CMT Independent Director Dah Chung Bills Finance Corp. Board Director Wanhwa Enterprise Company Director	CMT Independent Director Dah Chung Bills Finance Corp. Board Director	0 shares

Title	Name	Education	Experience	Current Position	Holding shares
		(USA)	International Engineering & Construction Group, Senior Consultant International Engineering & Construction Group, CEO Department of Rapid Transit Systems, Taipei City Government, Commissioner National Taiwan University of Science and Technology, Department of Civil and Construction Engineering, Professor		
Independent Director	Roger Hsu	MBA, University of Brussels, Europe	Asia Pacific Literature and Classics Academic Foundation Chair Magic Submarine Digital Chair Mega Futures Chair Banque Paribas	Asia Pacific Literature and Classics Academic Foundation Chair Magic Submarine Digital Chair	0 shares



## Attachment 11

Chinese Maritime Transport Ltd.

Proposed list of directors for releasing the non-competition restrictions

Name	Service as positions in other companies with the same scope of the company's business
James S.C. Tai	Global Energy Maritime Co., Ltd. , Director
Muh-Haur Jou	China Container Terminal Corporation , Director

## Appendix 1

### Chinese Maritime Transport Ltd.

#### Rules of Procedure for Shareholders' Meeting

Amended and approved by the Regular Shareholder's Meeting on 2021/8/31

Article 1: The Shareholders' Meeting (the "Meeting") of Chinese Maritime Transport Ltd.(the Corporation) shall be proceeded and conducted in accordance with these Rules and Procedures.

Article 2: The Corporation shall specify the registration time, place for attendance, and other matters for attention in its Meeting notices. The registration time shall be at least 30 minutes prior to the Meeting commences.

The Corporation may furnish an attendance book for shareholders to sign in, or the attending shareholders may hand in the attendance card in lieu of signing in.

The number of shares in attendance shall be calculated in accordance with the shares indicated on the attendance book or attendance cards submitted plus the number of shares whose voting power are exercised by way of correspondence or electronic transmission.

Article 3: Attendance and voting at Meeting shall be calculated based on numbers of shares, except the shares are deemed non-voting power under Article 179 of the Company Act.

Article 4: The venue for the Meeting shall be the premises of the Corporation or at any other appropriate place that easily accessible to shareholders and suitable for holding of the said Meeting. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5: If the Meeting is convened by the board of directors, it shall be held in accordance with the Article 208, paragraph 3 of the Company Act. When a director serves as chair of a Meeting, shall be the one who has held that position for six (6) months or more and who understands the financial and business status of the Corporation. If the Meeting is convened by a party with the convening right

other than the board of directors, the convening party shall preside the Meeting. When there are two or more such convening parties, they shall select a chair among themselves.

Article 6: The Corporation may appoint designated counsels, certified public accountants, or other related persons to attend the Meeting. Staff handling administrative affairs of the Meeting shall wear identification cards or armbands/badges.

Article 7: The 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 Meeting, and the voting and vote counting procedures, which 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 8: The chair shall call the meeting to order at the appointed meeting time. However, when the shareholders present 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 shareholders present still represent more than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the Meeting, the shareholders present represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.

Article 9: If the Meeting is convened by the board of directors, the Meeting agenda shall be set by the board of directors. According to Article 172-1 of the Company Act, a shareholder may submit to the Corporation a written proposal for discussion, for the same type proposal, will be combined to one agenda item. The Corporation shall, prior to preparing and delivering the Meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the Meeting notice the proposals conforming to the requirements set out in Article 172-1

of the Company Act. With regard to the proposals submitted by shareholders but not included in the agenda of the Meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the Meeting to be convened.

The Meeting shall be proceeded in accordance with the said agenda which may not be changed without a resolution of the Meeting. The proceedings shall apply mutatis mutandis to a Meeting convened by a party with the convening right other than the board of directors.

The chair shall not adjourn the Meeting without resolution adopted by shareholders if the motions (including extempore motion(s)) covered in the proceedings so arranged in the above two paragraphs not have been resolved. After the said Meeting is adjourned, the shareholders may not designate another person as chair and continue the meeting in the original location or at a different location.

Article 9-1: During the Meeting, if the chair announces adjournment in violation of the Rules of Procedure for Shareholders' Meeting, another person designated could serve as chair by majority votes of shareholders present in the Meeting and continue the Meeting.

Article 10: When a shareholder present wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number(or the number of attendance card) and the account name. The chair shall determine the sequence of shareholders' speeches.

If any shareholder present submits a speech note but does not actually speak shall be deemed to have not spoken. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chair and speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chair shall stop such interruption.

Article 11: A shareholder shall not speak more than two times for one motion, unless he/she has obtained the prior consent from the chair, and each speech shall not exceed 5 minutes. The chair may stop the

speech of any shareholder who violates the above provision or exceeds the scope of the agenda item or motion.

Article 12: When a juristic person/corporate shareholder is appointed to attend as proxy, it may designate only one person to represent it in the Meeting. When a juristic person/corporate shareholder appoints two or more representatives to attend the Meeting, only one of the representatives may speak on the same proposal.

Article 13: After a shareholder present has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: The chair may announce the end of discussion on a proposed resolution and proceed with voting when the chair is of the opinion that there has been sufficient discussion.

Article 15: 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 the Corporation. Vote counting for Meeting proposals or elections shall be conducted in public at the place of the 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. The voting results of the election of directors or supervisors at Meeting 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.

Article 16: When Meeting is in progress, the chair may announce a break based on time considerations.

Article 17: Except as otherwise provided in the Company Act and in the Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting power of the shareholders present. When voting, the chair or the designated person shall announce the total number of voting power of the shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis.

Article 18: 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.

Article 19: 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."

Article 20: During the Meeting, the chair may announce a break based on time consideration. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in a view of the circumstances, the Meeting will be resumed.

Article 21: In regards to all matters not provided for in these Rules of Procedure for Shareholders' Meeting, the Company Act and Corporation's articles of incorporation shall govern.

Article 22: The Rules of Procedure for Shareholders' Meeting, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

## Appendix 2

### ARTICLES OF INCORPORATION OF CHINESE MARITIME TRANSPORT LTD.

#### Section I - General Provisions

Article 1: The Corporation shall be incorporated under the Company Act of Republic of China, and its name shall be 中國航運股份有限公司 in the Chinese language, and 「 CHINESE MARITIME TRANSPORT LTD. 」 in the English language (the Corporation)

Article 2: The Corporation is engaged in the following businesses :

G101081 Automobile Container Transport.

G501020 Civil Aviation Agency.

G801010 Warehousing and Storage.

IZ06010 Cargoes Packaging.

JA01010 Automotive Repair and Maintenance.

JA02990 Other Repair Shops

CD01990 Other Transportation Equipment and Parts  
Manufacturing.

G401011 Shipping Agency Services.

F112010 Wholesale of Gasoline and Diesel Fuel.

I101120 Shipbuilding Industry Consultancy.

ZZ99999 All businesses that are not prohibited or restricted by law,  
except those that are subject to special approval.

Article 3: The Corporation shall have its head office in Taipei City, and may set up branch offices at various locations within and without the territory of the Republic of China that the Board of Directors may deem necessary by resolution.

Article 4: The aggregate amount of the Corporation's re-investment in other entities may exceed forty (40) percent of the Company's paid-in capital.

#### Section II – Capital Stock

Article 5: The total capital stock of the Corporation shall be in the amount of 3,600,000,000 New Taiwan Dollars, divided into 360,000,000 shares, at a par value of Ten New Taiwan Dollars each. For the un-issued shares, the board of directors is authorized to issue these shares in installments.

Article 6: The Corporation may provide endorsement and guarantee and act as a guarantor.

Article 7: Shares issued by the Corporation shall be exempted from printing of shares certificate(s). Nevertheless, the stocks of the Corporation shall be registered with the centralized securities depository enterprise (Taiwan Depository & Clearing Corporation (TDCC)).

Article 8: The Corporation shall handle its stock affairs for shareholders in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9: Registration for transfer of shares shall be suspended for a period of sixty (60) days immediately before the convening date of regular shareholders' meeting, thirty (30) days before the convening date of any special shareholders' meeting, or within five (5) days before the target date on which dividends, bonus or any other benefit are scheduled to be paid by the Corporation.

### Section III –Shareholders' Meeting

Article 10: Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, at least once a year, and within six (6) months after the close of each fiscal year. A notice to convene a regular meeting by the board of directors shall be given to all shareholders no later than thirty days prior to the scheduled meeting date. Special meetings shall be convened whenever necessary according to the laws and regulations.

Article 11: In case a shareholder is unable to attend the shareholders' meeting, the proxy shall be made in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 12: If the shareholders' meeting is convened by the board of directors, it shall be held in accordance with the Article 208, paragraph 3 of the Company Act. If the 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 select a chair among themselves.

Article 13: Each shareholder is entitled to one vote for each share held.



However, those shares in accordance with the Article 179 of the Company Act are without voting right.

Article 13-1: The shareholders could exercise their voting power in writing or by way of electronic transmission when the Corporation convenes the shareholders' meeting,

Article 14: Resolutions at a shareholders' meeting shall, unless specified otherwise by the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total issued shares are present.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes, which shall be affixed with the signature or seal of the chair of meeting, and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice. The minutes of shareholders' meeting shall be recorded in accordance with Article 183, paragraph 4 of the Company Act, and shall be kept persistently throughout the life of the Corporation. The preservation period for the sign-in book of attending shareholders, and proxy forms shall be subject to the related regulations and laws.

#### Section IV – Directors and Supervisors

Article 16: The Corporation shall have five (5) to nine (9) directors, and two (2) to three (3) supervisors. The aforesaid board of directors must have at least two (2) independent directors, and shall not be less than one-fifth of the number of directors.

Directors and supervisors shall be elected by adopting candidates nomination system as specified in Article 192-1 and 216-1 of the Company Act. The shareholders shall elect the directors and supervisors from among the nominees listed in the roster. The term of office of a director/supervisor shall be three (3) years, and all are eligible for re-election. The aggregate number of the registered shares held by the all directors and supervisors shall be subject to the regulations made by the competent securities authority.

The Corporation may obtain liability insurance for directors and supervisors, including the proxies in the Corporation's investment entities, with respect to legal liabilities for compensation resulting from acting within the scope of exercising their duties during their terms of occupancy.

The board of directors is authorized to determine the remuneration for chairman, directors, and supervisors taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry.

Article 16-1: Since the 17<sup>th</sup> session of the board of directors of the Corporation, an audit committee has been set up, and the relevant regulations on supervisors in this charter are no longer applicable.

Article 17: When one-third of the directors or all supervisors have vacated their offices, a special shareholders' meeting shall be convened by the board of directors within sixty (60) days to elect new directors or supervisors to fill the vacancies. The term of office of the newly elected director or supervisor shall be the same as the remaining term of the predecessor.

Article 18: In case no election of new directors/supervisors is effected after expiration of the term of office of existing directors/supervisors, the term of office of outgoing directors/supervisors shall be extended until the time new directors/supervisors have been elected and assumed their office.

Article 19: The board of directors shall be formed by directors. The directors shall elect a chairman of the board of directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman and vice chairman shall conduct the business of the Corporation in accordance with applicable laws and regulations, the Articles of Incorporation of the Corporation, the resolutions adopted at shareholders' meetings and the resolutions adopted by the board of directors.

Except the first meeting of each term of board of directors shall be convened in accordance with Article 203 of the Company Act, meetings of board of directors shall be convened by the chairman of board of directors who shall also be the chairman of the meeting. In case the chairman of the board of directors is on leave or unable to exercise his powers and authority for any cause, the chairman may designate a proxy in accordance with Article 208 of the Company Act. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 19-1: Various functional committees may be set up under the board of directors of the Corporation, and the functional committee of each type shall enact the rules governing the exercise of its

duties. These rules shall be effective upon approval of the board of directors.

Article 20: Unless otherwise provided in the Company Act, business policy of the Corporation and other important matters shall be decided by resolutions adopted by the board of directors.

- (1) Amendment of Articles of Incorporation of the Corporation.
- (2) Establishment or dissolution of branch office.
- (3) Approval/resolution of annual budget/statements and records, including implementation of annual business plans.
- (4) The hiring/dismissal of a certified public accountant
- (5) Apply for credit line/guarantee/finance from banking institutions
- (6) Any matters shall be submitted to the board of directors for approval by resolution such as important contracts or other material or adoption or amendment of handling procedures for acquisition/disposal of assets, loans to others, endorsements and guarantees for others.
- (7) To perform the resolutions adopted by shareholders' meeting

Article 21: The notice of meeting of board of directors may be made in writing, or by email, facsimile. Unless otherwise provided in the Company Act, the meeting of board of directors shall be subject to Rules and Procedures of Board of Directors Meeting of the Corporation. A meeting of board of directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend the meeting, he/she shall appoint another director by a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. The proxy may accept the appointment of one director only.

Article 22: Resolutions adopted at the meeting of the board of directors shall be recorded in the minutes which shall be affixed with signature or seal by the chairman of the meeting. The provision of Article 183 of the Company Act shall apply mutatis mutandis to the aforesaid minutes.

Article 23: Supervisors may exercise the supervision power individually, and attend the meeting of the board of directors to their opinions, but no voting power.

## Section V – Officers

Article 24: The Corporation may appoint several officers. The appointment

and discharge of the officers shall be approved by a majority in a meeting of the board of directors attended by a majority of the directors.

## Section VI – Finalization of Accounts

Article 25: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing, not later than thirty (30) days before the convention of the regular shareholders' meeting, and such documents shall be submitted to the regular shareholders' meeting for acceptance.

- (1) the business report
- (2) the financial statements
- (3) the surplus earning distribution or loss off-setting proposals

Article 26: If the Corporation makes profits for the current year, the board of directors shall resolve on the allocation of 0.5%~2% as the employee compensation and no more than 2% as the compensation for directors/supervisors. If the Corporation has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation.

The calculation of the employee/directors/supervisors compensation shall be made base on the amount of profit before tax (excluding employee/directors/supervisors compensation).

The Corporation may have the profit distribution as employee compensation in the form of shares or in cash, shall be adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report such distribution to the shareholders' meeting.

Article 26-1: The Corporation shall allocate the earnings for each fiscal year in the following order:

1. Paying tax
2. Making up losses for preceding years
3. Setting aside a legal reserve of 10% of the earnings
4. Setting aside or reversing a special reserve
5. After deducting the aforesaid four items, the balance together with the retained earnings as of the beginning of the fiscal year, will be considered in regards to the surplus earnings distribution, which shall be proposed by the board of directors. When in the form of new shares to be issued, it should be submitted to the shareholders' meeting for resolving. The distributable dividends may be paid in cash after a resolution

has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of cash distribution shall be submitted to the shareholders' meeting.

The earnings distribution of the Corporation may be by cash or shares, where the proportion of cash dividends may not be below 10% of total dividends.

## Section VII – Supplementary Provisions

Article 27: In regards to all matters not provided for in these Articles of Incorporation, the Company Act and other laws and regulations shall govern.

Article 28: These Articles of Incorporation were enacted on January 30, 1978. The first amendment on February 25, 1979, the second amendment on June 8, 1981, the third amendment on July 23, 1981, the fourth amendment on February 4, 1982, the fifth amendment on March 7, 1984, the sixth amendment on June 5, 1984, the seventh amendment on April 28, 1985, the eighth amendment on October 7, 1985, the ninth amendment on June 7, 1986, the tenth amendment on February 13, 1987, the eleventh amendment on June 18, 1988, the twelfth amendment on March 27, 1989, the thirteenth amendment on January 13, 1990, the fourteenth amendment on June 19, 1990, the fifteenth amendment on December 22, 1990, the sixteenth amendment on September 6, 1991, the seventeenth amendment on March 12, 1992, the eighteenth amendment on November 5, 1992, the nineteenth amendment on April 15, 1993, the twentieth amendment on October 6, 1993, the twenty-first amendment on April 1, 1994, the twenty-second amendment on March 27, 1995, the twenty-third amendment on June 17, 1996, the twenty-fourth amendment on May 21, 1997, the twenty-fifth amendment on May 14, 1998, the twenty-sixth amendment on June 21, 2000, the twenty-seventh amendment on June 7, 2001, the twenty-eighth amendment on June 11, 2002, the twenty-ninth amendment on June 24, 2003, the thirtieth amendment on May 27, 2004, the thirty-first amendment on June 24, 2005, the thirty-second amendment on June 14, 2006, the thirty-third amendment on June 28, 2007, the thirty-fourth amendment on June 28, 2007, the thirty-fifth amendment on June 24, 2008, the thirty-sixth amendment on May 27, 2009, the thirty-seventh amendment on April 16, 2010, the thirty-eighth amendment on

June 9, 2011, the thirty-ninth amendment on December 15, 2011, the fortieth amendment on June 22, 2012, the fortieth-first amendment on June 16, 2014, the fortieth-second amendment on June 28, 2016, the fortieth-third amendment on May 13, 2020, the fortieth-fourth amendment on August 31, 2021.

## Appendix 3

### Chinese Maritime Transport Ltd.

#### Procedures for Election of Directors and Supervisors

Article 1: Except as otherwise provided by law and regulation or by the Corporation's Article of Incorporation, election of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2: There should be more than half of directors of the Corporation, and there should be at least one of supervisors or between supervisors and directors and must not have one of the following relationship:

1. Spouse
2. Relatives within the second degree

Article 3: If the elected directors and supervisors of the Corporation do not comply with the provisions of Article 2 of this procedures, the elected directors and supervisors shall be determined in accordance with the following provisions.

1. When there are some among the directors who do not meet the conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.
2. When there are some among the supervisors who do not meet the conditions, the provisions of the preceding subparagraph shall apply mutatis mutandis.
3. When there are some among the directors and supervisors who do not meet the conditions, the election of the supervisor receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.

Article 4: The election of directors and supervisors adopts the candidate nomination system in accordance with Article 192-1 and Article 216-1 of the Company Act, shareholders shall choose from the list of candidates for directors and supervisors.

Article 5: The cumulative voting method shall be used for election for the directors and supervisors at the Corporation, and may be cast for a single candidate or split among multiple candidates. Independent directors and non-independent directors shall be elected together, and the number of candidates shall be calculated separately.

Those with more voting rights represented by the votes obtained shall be elected in turn.

The qualifications and election of the independent directors of the Corporation shall comply with the Company Act and the Regulations Governing Appointment of independent directors and Compliance Matters for Public Companies.

Article 6: Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 7: The number of directors and supervisors election will be as specified in the Corporation's Article of Incorporation and the resolution by the Board of Directors. When two or more persons receive the same number of votes, thus exceeding the specified number of position, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8: The ballots shall be prepared by the Board of Directors, and shall be stamped with the number of voting rights according to the attendance certificate number.

For shareholders who exercise their voting rights electronically, no separate ballot will be issued.

Article 9: If the candidate is a shareholder, the elector must fill in the candidate account name and shareholder's account number; if not a shareholder, fill in the name of the candidate and the number of identification number. Where a government or juristic person shareholder is a candidate, the name of government or juristic person should be filled in the candidate column on the ballot, and the name of its representative may also be filled in; when there are several representatives, the name of representatives should be added separately.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. The number of candidates filled in exceeds the prescribed quota.
3. A blank ballot is placed in the ballot box.
4. The writing is unclear and indecipherable.
5. If the filled-in candidate is a shareholder, whose account name and shareholder account number do not match the shareholder register; if the filled-in candidate is not a shareholder, whose name and identification document number of the filled-in candidate does not match.



6. Those whose names are the same as the names of other shareholders, but the shareholder account number or identification document number is not included to be identifiable.

Article 11: 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 supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

Article 12: The board of directors shall issue notifications to the persons elected as directors and supervisors.

Article 13: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

These procedures were enacted on September 6, 1991.

The first amendment on April 1, 1994.

The second amendment on May 14, 1998.

The third amendment on June 14, 2006.

The fourth amendment on June 16, 2014.

The fifth amendment on May 13, 2020.

## Appendix 4

### Chinese Maritime Transport Ltd.

#### Procedures for Lending Funds to Other Parties

The shareholders meeting approved the amendment on June 18, 2019

##### Subject

To ensure the Corporation's lending funds to other parties follow the rules, the procedure is specially formulated.

##### Contents

##### Article 1: Entities to which the Corporation may loan funds

1. Those who have business dealings with our corporation.
2. Those who need short-term financing with our corporation.

The short-term mentioned in preceding paragraph refers to one year. However, if the company's business cycle is longer than one year, the business cycle shall prevail.

The term financing amount refers to the accumulated balance of the Corporation's short-term financing funds.

##### Article 2: The reasons and necessity of lending funds to others

If the corporation engages in fund lending due to business relationships with other companies, it shall follow the provisions of Article 3, Paragraph 2; if it is necessary for short-term financing of funds to engage in fund lending, the following circumstances shall be limited:

- a. Companies in which the Corporation holds more than 80% shares need short-term financing due to business need.
- b. Other company needs short-term financing due to the need of purchasing materials or business turnover.

##### Article 3: The aggregate amount and the maximum amount permitted to a single borrower

1. The total amount of the Corporation's lending funds shall not exceed 40% of the Corporation's net worth.
2. The limit of fund loans to individual enterprise are as follows:

- a. For a fund loan that is a business transaction, the individual loan amount shall not exceed the amount of business transactions in the previous year at the time of the fund loan (the business transaction amount refers to the amount of purchases or sales between the two parties, whichever is higher), and the total loan amount is limited to 40% of the Corporation's net worth.
  - b. For short-term financial loans, the individual loan amount shall not exceed 40% of the company's net worth, and the total loan amount is limited to 40% of the Corporation's net worth.
3. The restriction of not exceed 40% of the lender's net worth and one year loan, shall not apply to inter-company loan of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Corporation by any overseas company in which the Corporation holds, directly or indirectly, 100% of the voting shares. However, the limit of fund loan to each company and the limit of the total loan amount shall not exceed 100% of net worth of the lender company, and the period of the fund loan shall be specified. Fund loans and deadlines between foreign subsidiaries are handled in accordance with the operating procedures of the subsidiaries.

#### Article 4: Procedures for handling loans of funds

##### 1. Credit status

The borrower should attach necessary company information and financial information apply to the Corporation for a financing in writing.

After the Corporation accept the application, the finance department shall investigate and evaluate the business, financial status, solvency and creditworthiness, profitability and purpose of the loan, and prepare a report.

The finance department conducts a detail evaluation and review of the fund loan. The evaluation items should at least include:

- a. The necessity of and reasonableness of extending loans to others.
- b. Based on the financial status of borrower, measure whether the fund loan amount is necessary.
- c. Whether the accumulated fund loan amount is still within

the limit.

- d. Impact on the Corporation's business operation, financial condition, and shareholders' equity.
- e. Whether collateral must be obtained and appraisal of the value thereof.
- f. Attached records of borrower credit status and risk assessment.

## 2.Collateral

When the Corporation handles capital loans, except for the subsidiaries of the Corporation that directly and indirectly hold 100% of the voting shares, it shall obtain the same amount of guaranteed promissory notes from the borrower, and handle the mortgage of movable or immovable property when necessary. For the credit guarantee in the preceding paragraph, if the debtor provides a person or company with considerable resources and credit as a guarantee, instead of providing collateral, the board of directors may refer to the credit report of the finance department; if the company is the guarantee, pay attention to whether its article of corporation may be a guarantee clause.

## 3.Scope of authorization

When the Corporation handles capital loans, after the financial department has credited it, the loans of funds shall be submitted for a resolution by the board of directors, and the chair may be authorized, for a specific borrowing counterparty, within a certain monetary limit approved by the board of directors, and within a period not to exceed one year, to give loans in installments or make a revolving credit line available for the counterparty to draw down, but the certain limit shall not exceed 10% of the net worth. The opinions of independent directors shall be fully considered when the board of directors meeting is held. If independent directors have objections or reservations, they shall be stated in the minutes of the board of directors.

## Article 5: Duration of loans and calculation of interest:

- 1.Where short-term financing is needed, the loan period of each fund shall not exceed one year.
- 2.The interest rate of fund loans shall not be lower than the highest interest rate of the Corporation's short-term loans from financial

institutions. The calculation and collection of loan interest of the Corporation is based on monthly payment. In case of special circumstances, it may be adjusted after the approval of the board of directors.

Article 6: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights

1. After the loan is allocated, should always pay attention to the financial, business and credit status of the borrower and guarantor. If there is a collateral provider, should also pay attention to whether the value of the guarantee has changed. In case of major changes, should notify the chair of the board, and follow the instructions for proper treatment.
2. When the borrower repays the loan before maturity or maturity, the interest payable should be calculated first, and then the promissory note loan can be cancelled and returned to the borrower or the mortgage can be cancelled after the principal is paid off.
3. The borrower should pay off the principal and interest immediately, as the loan expires. If there is an overdue and the debt cannot be recovered after a reminder, the Corporation may dispose and recover the collateral or the guarantor in accordance with the law.

Article 7: Internal control

1. The Corporation shall prepare a memorandum book for its fund-lending activities and truthfully record the information of borrower, amount, date of approval by the board of directors, lending/borrower date, and matters to be carefully evaluated by the regulations.
2. The Corporation's internal auditors shall audit the Procedures for Lending Funds to Other Parties and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found. When handling fund loans, the Corporation's managers and sponsors shall follow the provisions of this operating procedures, if there is a violation, it shall be handled in accordance with the punishment method of the human resources department's work rules.
3. If, as a result of a change in circumstances, an entity for which a fund loan is made does not meet the requirements of these regulations, or the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to

all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.

4. The above mentioned matters notified to the supervisors in writing shall be notified to the independent directors in writing at the same time.

#### Article 8: Announcing and reporting

1. The Corporation shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10<sup>th</sup> day of each month.
2. The Corporation whose loans of funds reach one of following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
  - a. The aggregate balance of loans to others by the Corporation and its subsidiaries reaches 20% or more of the Corporation's net worth as stated in its latest financial statement.
  - b. The balance of loans by the Corporation and its subsidiaries to a single enterprise reaches 10% or more of the Corporation's net worth as stated in its latest financial statement.
  - c. The amount of new loans of funds by the Corporation or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Corporation's net worth as stated in its latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraph 1 and in item 3 under subparagraph 2 of the preceding paragraph.

#### Other matter

1. Where a subsidiary of the Corporation intends to make loans to others, the Corporation shall instruct it to formulate its own Procedures for Lending Funds to Other Parties in compliance with the regulations, and it shall comply with the procedures when loaning funds.

When a subsidiary of the Corporation intends to lend funds to others, it must be approved by the subsidiary's board of directors.

When a subsidiary of the Corporation handles loans to others, in addition to regularly providing relevant information to the Corporation for review, when there are new loans, it should immediately notify the

Corporation.

2. The Corporation shall, in accordance with generally accepted accounting principles, assess the situation of lend funds and provide adequate allowance for bad debts, and disclose relevant information in the financial report appropriately, and provide relevant information for the CPA to perform necessary verification procedures, and issue appropriate auditors' report.
3. Matters not covered in this procedures shall be handled in accordance with relevant laws and regulations and relevant regulations of the Corporation.

#### Effective and amendment

The Corporation has established the Procedures for Lending Funds to Other Parties. After approval by the board of directors, it shall be sent to supervisors and submitted to the shareholders meeting for approval. If a director expresses an objection and has a record or a written statement, the Corporation shall send the objection to the supervisors and report to the shareholders meeting for discussion, and the amendment is the same.

The Corporation submits the Procedures for Lending Funds to Other Parties for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of board of directors.

## **Appendix 5**

### **Chinese Maritime Transport Ltd. Procedures for Endorsement and Guarantee**

The shareholders meeting approved the amendment on June 18, 2019

**Article 1:** The Corporation shall comply with these Procedures when making endorsements/guarantees for others.

**Article 2:** The scope of application of these Procedures,

1. Financing endorsements, including:
  - a. Bill discount financing.
  - b. Endorsement or guarantee made to meet the financing needs of another company.
  - c. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning an endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Corporation of a pledge or mortgage on its chattel or real property as security for the loans of another company.

**Article 3:** Object of endorsements/guarantees

Where the Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders of purposes of undertaking a construction project or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, the objects of endorsements/guarantees are limited to the following companies:

- a. A company with which it does business.
- b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.

Companies in which the Corporation holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees



for each other, after passage by the Board of Directors, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Corporation, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Capital contribution referred to the first paragraph shall mean capital contribution directly by the Corporation, or through a company in which the Corporation holds 100% of the voting shares.

The subsidiary and parent company as referred to in these Procedures shall be as determined under the regulations of the Financial Accounting Standards Bulletin No.5 and No.7 issued by the Accounting Research and Development Foundation of the Republic of China.

#### Article 4: The ceiling on the amount of endorsements/guarantees

1. The total amount of external endorsements/guarantees shall worth no more than 150% of the Corporation's net worth. Among which the amount of endorsements/guarantees for any single (a)whose voting shares are 100% owned by the Corporation shall not exceed 150% of the Corporation's net worth. (b)company whose more than 80% voting shares are owned by the Corporation shall not exceed 30% of the Corporation's net worth, the others shall not exceed 10% of the Corporation's net worth.
2. The total amount of endorsements/guarantees for the Corporation and all its subsidiaries as a whole and the amount of endorsements/guarantees for a single enterprise shall not exceed 150% of the Corporation's net worth.

If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Corporation and its subsidiaries as a whole reach 50% or more of the net worth of the Corporation, and explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.

The net worth is subject to the Corporation's most recent financial statements audited or reviewed by certified public accountant.

3. For those who engage in endorsement/guarantee due to needs arising from business dealings with the Corporation, in addition to the above mentioned limit, the amount of individual endorsement/guarantee shall not exceed the amount of business transactions between the two parties. The amount of business transactions is the higher of the purchase or sale amount between

the two parties.

#### Article 5: Hierarchy of decision-making authority and delegation thereof

1. The Corporation's handling of endorsement/guarantee matters shall be approved by the resolution of the board of directors. Those who have established independent directors shall fully consider the opinions of independent directors. If an independent director expresses dissent or reservation, it shall be recorded in the minutes of the board of directors. The board of directors may authorize the chair to make a decision within the limit of NT\$100 million in a single transaction in accordance with the relevant provisions of this procedures, and then report to the next board of directors meeting for ratification.
2. Where the Corporation need to exceed the limits set out in these procedures to satisfy its business requirements, and where the conditions set out in these procedures are complied with, it shall obtain approval from the board of directors and half or more of directors shall act as joint guarantors for any loss that may be caused to the Corporation by the excess endorsement/guarantee. It shall also amend the Procedures for Endorsement and Guarantee accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Corporation shall adopt a plan to discharge the amount in excess within a given time limit.

Those who have established independent directors, when it makes endorsements/guarantees for others, it shall fully consider the opinions of independent directors. If an independent director expresses dissent or reservation, it shall be recorded in the minutes of the board of directors.

#### Article 6: Procedures for making endorsements/guarantees

1. When the Corporation handles endorsement/guarantee matters, the endorsed company shall issue an application to the Corporation's finance department. The finance department shall conduct a credit investigation on the endorsed company, assess its risk and keep evaluation records, and pass the review after that, it is submitted to the general manager and chair for verification and collateral should be obtained if necessary.
2. The finance department conduct credit investigation and risk assessment for the endorsed company. The assessment items should include:
  - a. The necessity and reasonableness of endorsement/guarantee.

- b. To measure the financial status of the endorsed company whether the endorsement/guarantee is necessary.
  - c. Whether the accumulated endorsement/guarantee amount is still within the limit.
  - d. Where an endorsement/guarantee is made due to needs arising from business dealings, it should be assessed whether the amount of endorsement/guarantee and the amount of business transactions are within the limit.
  - e. The impact on the Corporation's business operations, financial condition and shareholders' equity.
  - f. Whether collateral must be obtained and appraisal of the value thereof.
  - g. Attach endorsement/guarantee credit investigation and risk assessment records.
3. The financial department shall prepare memorandum book and record in detail the following information: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chair, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding paragraph.
  4. The financial department shall assess or recognize the contingent losses of the endorsement/guarantee in accordance with the provisions of the Financial Accounting Standards Bulletin No.9, and appropriately disclose the endorsement/guarantee information, and provide relevant information to the certified public accountant to implement the necessary verification procedures, and issue a proper audited report.
  5. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these procedures or the amount of endorsement/guarantee exceeds the limit due to the change in the basis on which the limit is calculated, the endorsement/guarantee amount or the excess part of the limit, it shall be eliminated upon the expiration of the contract period or the improvement plan shall be sent to the supervisors and independent directors and reported to the board of directors.

#### Article 7: Endorsements/guarantees cancellation

1. If the relevant certificates or bills of the endorsement/guarantee need to be released due to debt settlement or renewal, the endorsed company shall prepare a formal letter and deliver the original endorsement/guarantee documents to the Corporation's financial department and return them with the "cancellation" seal. Application letter is kept for future reference.

2. The finance department should record the cancellation of the endorsement/guarantee in the memorandum book at any time to reduce the amount of endorsement/guarantee.

#### Article 8: Internal control

1. The Corporation's internal auditor shall audit the endorsement/guarantee operating procedures for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.
2. When the Corporation's managers and sponsors are engaged endorsement/guarantee matters, they shall follow the provisions of this procedures. If violation, it shall be handled in accordance with the punishment method of the human resources department's rule.
3. When the Corporation or its subsidiary endorse subsidiary whose net worth is less than one-half of the paid-in capital, it shall strengthen risk control and check its financial statements on a monthly basis, and make a written record. If there is any abnormality, it should be reported to the supervisors immediately.

#### Article 9: Procedures for custody of corporate chop

1. The Corporation uses the corporation seal applied to Ministry of Economic Affairs as the special seal for endorsement/guarantee. The seal and guarantee notes shall be kept by special persons, and the notes shall be printed and issued in accordance with the prescribed procedures. When the person who keeps the seal is appointed, dismissed or changed, it shall be approved by the board of directors.
2. If the Corporation acts as a guarantee for a foreign company, the letter of guarantee issued by the Corporation should be signed by the person authorized by the board of directors.

#### Article 10: Announcement declaration procedure

The Corporation shall announce and report the previous month's balance of endorsement/guarantee of itself and its subsidiaries by the 10<sup>th</sup> day of each month, whose balance of endorsement/guarantee reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements/guarantees by the Corporation and its subsidiaries reaches 50% or more of the

Corporation's net worth as stated in its latest financial statement.

2. The balance of endorsements/guarantees by the Corporation and its subsidiaries for a single enterprise reaches 20% or more of the Corporation's net worth as stated in its latest financial statement.
3. The balance of endorsements/guarantees by the Corporation and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30% or more of the Corporation's net worth as stated in its latest financial statement.
4. The amount of new endorsements/guarantees made by the Corporation or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Corporation's net worth as stated in its latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China, any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 11: Where a subsidiary of the Corporation intends to make endorsements/guarantees for others, the Corporation shall instruct it to formulate its own Procedures for Endorsement and Guarantee, and it shall comply with the procedures when making endorsements/guarantees.

Before the subsidiary of the Corporation intends to make endorsements/guarantees for others, it must be processed after the resolution of the subsidiary's board of directors.

When the Corporation's subsidiaries endorse guarantees for others, in addition to regularly providing relevant information to the Corporation for review, when there are new endorsement/guarantee, they should immediately notify the Corporation.

Article 12: The matters not covered in these Procedures, shall be handled in accordance with relevant laws and regulations and relevant regulations of the Corporation.

Article 13: After the Procedures are approved by the board of directors, it shall be sent to supervisors and submitted to the shareholders meeting for approval. If a director expresses an objection and has a record or a written statement, the Corporation shall send the

objection to the supervisors and report to the shareholders meeting for discussion, and the amendment is the same.

The Corporation submits the Procedures for Endorsement and Guarantee for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of board of directors.

## Appendix 6

### Chinese Maritime Transport Ltd.

#### Procedures for Acquisition or Disposal of Assets

##### Article 1: Purpose

In order to protect assets and implement the information disclosure, the procedures have been set.

##### Article 2: Legal basis

This procedure is stipulated in accordance with relevant laws and regulations.

##### Article 3: Assets scope

1. Securities: including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call(put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, construction enterprise inventory) and equipment.
3. Memberships.
4. Intangible assets: including patents, copyrights, trademarks and franchise rights.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

##### Article 4: Noun definition

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing

contracts, or long-term purchase (sales) contracts.

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Paragraph 8, Article 156 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of Board of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Corporation in the Mainland area.

Article 5: The limit for acquisition of real property and its right-of-use assets for non-business use and securities.

The Corporation and each subsidiary's individual acquisition of the above mentioned assets are set as follows:

1. The total amount of real property and its right-of-use assets acquired not for business use shall be limited to the net value of each company. However, if the subsidiary is an investment company, it is not subject to this restriction.
2. The total amount of securities acquired shall be limited to two and five times the net value of each company. However, if the subsidiary is an investment company, it is not subject to this restriction.
3. The limit for acquiring individual securities are as follows:



- a. A single security investment of non-current assets is limited to the net worth of each company. However, if the subsidiary is an investment company, it is not subject to this restriction.
- b. A single security investment of current assets is limited to 30% net worth of each company. However, if the subsidiary is an investment company, it is not subject to this restriction.

The above mentioned net worth items shall be subject to the amount of the company's latest with independent auditors' report or review report.

Article 6: Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified public accountant's opinions, attorney's opinion, or underwriter's opinion shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the Corporation is required to obtain appraisal report from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the

comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or opinion.

4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepare the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 7: With respect to the Corporation's acquisition or disposal of assets that is subject to the approval of the board of directors under the Corporation's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 8: Evaluation and operating procedures for acquiring or disposing of real property, equipment or its right-of-use assets.

1. The method of price determination and supporting reference materials.

When acquiring or disposing of real property, equipment or right-of-use assets, the execution unit shall submit the department's investment budget and equipment addition plan in accordance with regulations, evaluate and analyze the investment subject.

Carry out feasibility analysis and research on the pre-investment status, investment motives and objectives, investment cost, estimated recovery period, investment benefit analysis, etc., formulate specific investment implementation plans, and submit them to the general manager and chair for approval.

2. Appoint a professional appraiser to issue an appraisal report.

In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a domestic

government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- 2.1 Where due to special circumstances it is necessary to give a limited price, special price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- 2.2 Where the transaction amount is NT\$1billion or more, appraisals from two or more professional appraisers shall be obtained.
- 2.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.
  - a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- 2.4 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Where the Corporation acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA

opinion.

3.The degree and the levels of authority delegated.

3.1. The acquisition of real property, equipment or right-of-use assets thereof, if the amount is less than NT\$30 million is submitted to the chair for approval, and if it exceeds NT\$30 million, it must be approved by the board of directors. However, capital expenditures for ship repairs, have been included in the budget and approved by the board of directors, which is not subject to this restriction.

3.2 The disposal of real property, equipment or right-of-use assets thereof, if the book value or appraisal value is less than NT\$30 million is submitted to the chair for approval, and if it exceeds NT\$30 million, it must be approved by the board of directors.

4.The units responsible for implementation.

When the Corporation acquires or disposes of real property, equipment or right-of-use assets thereof, it shall be executed by the executive unit or user department designated by the board of directors or the chair after submitting the approval authority in accordance with the preceding paragraph.

Article 9: Evaluation and operating procedures for acquiring or disposing of securities.

1.The method of price determination and supporting reference materials.

The Corporation acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price:

1.1 When the acquisition or disposal of securities that have been traded in the centralized securities exchange market or the business premises of a securities firm shall be determined in accordance with the prevailing market price.

1.2 When the acquisition or disposal of securities that are not traded in the centralized securities exchange market or the business premises of a securities firm, its net worth per share, profitability, future development potential, market interest rate, bond coupon rate, debtors' credits, and negotiated with reference to the current transaction price, shall be taken into consideration.

2.Obtain expert opinion

The Corporation acquiring or disposing of securities, if the

amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 billion or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities, that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

3. The degree and the levels of authority delegated.

The Corporation acquiring or disposing of securities with a single amount of more than NT\$30 million must be approved by the board of directors and processed after approval; those with a single amount of less than NT\$30 million (inclusive) shall be approval by the chair of board of directors; however, when investing in specific securities approved by the board of directors, it shall be processed in accordance with the authorization of the board of directors.

4. The units responsible for implementation.

When the Corporation engages in securities investment, it shall be executed by the executive unit or user department designated by the board of directors or the chair after submitting the approval authority in accordance with the preceding paragraph, and the financial department shall assist in handling.

## Article 10: Related party transactions

1. When the Corporation intends to acquire or dispose of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Corporation's total assets, or NT\$300 million or more, the Corporation shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser or CPA's opinion. Besides, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. Appraisal and operating procedures

When the Corporation intends to acquire or dispose of real

property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of other assets or right-of-use assets thereof other than real property from or to a related party and the transaction amount reaches the material standards of the preceding paragraph, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

- 2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- 2.2 The reason for choosing the related party as a transaction counterparty.
- 2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness in accordance with Article 10, paragraph 4, subparagraph 1 and 4.
- 2.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- 2.5 Monthly cash flow forecast for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction and reasonableness of the funds utilization.
- 2.6 An appraisal report from professional appraiser or a CPA's opinion obtained in compliance with Article 10, paragraph 1.
- 2.7 Restrictive covenants and other important stipulation associated with the transaction.

3. The degree and the levels of authority delegated.

The Corporation and its parent company, subsidiaries, or between its subsidiaries in which it directly or indirectly hold 100 of the company's shares, acquire or dispose of equipment for business use or right-of-use assets thereof, or real property right-of-use asset, with a single amount of NT\$50 million below(inclusive), the board of directors shall authorize the chair to make a decision first, and report to the latest board of directors for ratification afterwards.

4. Evaluation of reasonableness of the transaction costs.

- 4.1 When the Corporation obtains real property or its right to use assets from related parties, it shall evaluate the reasonableness of the transaction costs according to the following methods:
- a. Based on the related party's transaction price plus necessary interest on funding and the cost to be fully borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Corporation purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - b. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- 4.2 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- 4.3 The Corporation that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with Article 10, paragraph 4, subparagraph 1 and 2 shall also engage a CPA to check the appraisal and render a specific opinion.
- 4.4 When the results of the Corporation's appraisal conducted in accordance with Article 10, paragraph 4, subparagraph 1 and 2 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 10, paragraph 4, subparagraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- 4.4.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of

compliance with one of the following conditions:

- a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
- b. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

4.4.2 Where the Corporation acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transaction involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

4.5 Where the Corporation acquires real property or right-of-use assets thereof from a related party and the result of appraisals conducted in accordance with the Article 10, paragraph 4, subparagraph 1 and 2 are uniformly lower than



the transaction price, the following steps shall be taken. In addition, the Corporation and the public company that adopts equity method to evaluate the investment of the Corporation have set aside a special reserve in accordance with foregoing regulations, the public company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

4.5.1 A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment to the Corporation, then the special reserve under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share.

4.5.2 Supervisors shall comply with Article 218 of the Company Act.

4.5.3 Actions taken pursuant to the preceding two subparagraphs shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

4.6 Where the Corporation acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, it should be handled in accordance with the relevant evaluation and operating procedures in Article 10, paragraph 1, paragraph 2, and Article 10, paragraph 4, subparagraph 1, subparagraph 2, subparagraph 3 on the assessment of the reasonableness of transaction cost is not applicable.

4.6.1 The related party acquires real property or right-of-use assets thereof through inheritance or as a gift.

4.6.2 More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing

date for the current transaction.

4.6.3 The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Corporation's own land or on rented land.

4.6.4 The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares.

4.7 When the Corporation obtains real property or right-of-use assets thereof from a related party, it shall also comply with the Article 10, paragraph 4, subparagraph 5, if there is other evidence indicating that the acquisition was not an arm's-length transaction.

Article 11: Evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.

1. The method of price determination and supporting reference materials

To obtain or dispose of intangible assets or right-of-use assets thereof or memberships, the assets may generate benefits and the fair value of the market in the future should be considered, and expert opinions should be consulted when necessary and agree with the counterparty of the transaction.

2. Appoint an expert to issue an opinion

Where the Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Corporation shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No.20 published by the ARDF.

3. The degree and the levels of authority delegated

The Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships with the transaction amount of more than NT\$20 million must be approved by the board of directors; where the transaction amount is less than NT\$20 million (inclusive), the board of directors authorizes the chair to make decision.

#### 4. The units responsible for implementation

The Corporation's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be executed by the executive unit or use department designated by the board of directors or the chair after the approval of the authority of the preceding paragraph.

#### Article 11-1: Transaction amount calculation

To obtain or dispose of the assets of Article 8, Article 9, Article 10 and Article 11, the calculation of the transaction amount shall be carried out in accordance with the provisions of Article 15, paragraph 1, subparagraph 6, of this processing procedure. The stated period of one year is based on the date of the transaction facts, retrospectively calculated one year in the past, and the valuation report or CPA's opinion issued by the professional appraisers obtained in accordance with the regulations is exempt from re-entry.

#### Article 12: Evaluation and operating procedures for acquiring or disposing of claims of financial institutions.

In principle, the Corporation does not engage in the acquisition or disposal of claims of financial institutions. If the Corporation intends to engage in the acquisition or disposal of claims of financial institutions in the future, the Corporation will submit to the board of directors for approval before formulating its evaluation and operating procedures.

#### Article 13: Evaluation and operating procedures for acquiring or disposing of derivatives.

##### 1. Trading principles and strategies

##### 1.1 Transaction of types

- a. The derivative products that the Corporation may engage in refer to the contract referred to in Article 4, paragraph 1.
- b. The term "for the purpose of trading" as mentioned in this Article refers to those who hold or issue derivative for the purpose of earning the difference in commodity trading, including trading activities that are measured at fair value and recognized the current profits or losses; "Not for the purpose of trading" refers to those who engage in trading activities for purpose other than the foregoing.

## 1.2 Operating or hedging strategies

- a. For the purpose of trading: the business strategy is based on the principle of flexibility and mobility.
- b. Not for the purpose of trading: the hedging strategy is based on the principle of prudent and conservative.

## 1.3 Segregation of duties

1.3.1 Signing of transaction contracts and related documents: signed by the chair of the board or a person designated by chair on behalf of the company.

### 1.3.2 Transaction execution and profit or loss assessment:

- a. The merchandise category is related to the raw materials, and the purchasing department is responsible for it; for freight related matters, the business department is responsible; financial related matters, the financial department is responsible.
- b. Account opening, trading, confirmation, settlement: authorized by the heads of relevant departments.
- c. Traders prepare transaction slips, payment requests and income deposit slips, which are reviewed by the responsible supervisors and distributed to the finance department, accounting department and auditing office.
- d. The profit or loss assessment is performed by the full time personnel of the relevant departments, and the assessment report should be sent to the head of auditing office.

1.3.3 Accounting: The accounting department prepare slips base on various documents and enters the accounts, and completes the relevant accounting statements according to the accounting cycle.

1.3.4 Audit: The auditing office conducts regular and irregular audits in accordance with the internal audit system.

1.3.5 Legal affairs: The legal specialist and above are responsible for the review of the transaction contract.

1.3.6 Unless otherwise specified, the execution level of the Corporation's derivative commodity transactions shall be manager level or above or its designated personnel.

## 1.4 Performance evaluation

Take the year-end net profit and loss as the performance evaluation benchmark.

## 1.5 Total amount of derivatives contracts and authorization

1.5.1 For the purpose of trading: The total contract value of all targets at any point in time shall not exceed 50 percent of the Corporation's net worth in the previous year. If it is less than 5 percent of the net worth, all relevant departments shall be authorized to be responsible for the decision, and shall be submitted to the latest board of directors for approval after the transaction, more than 5 percent of the net worth must be submitted to the board of directors for approval.

1.5.2 Not for the purpose of trading: The upper limit is the assets or liabilities held and expected to be traded, and the relevant departments heads are responsible for planning proposals, which can only be done after the general manager submits it to the board of directors for approval.

#### 1.6 Loss ceiling

1.6.1 For the purpose of trading: The upper limit of individual contract losses is 15 percent of the Corporation's paid-in capital, and the upper limit of total contract losses is 15 percent of the Corporation's paid-in capital.

1.6.2 Not for the purpose of trading: The upper limit of individual contract losses is 15 percent of the Corporation's paid-in capital, and the upper limit of total contract losses is 15 percent of the Corporation's paid-in capital.

### 2. Risk management measures

2.1 Credit risk of counterparties: Counterparties must be financial institutions or manufacturers with good credit ratings.

2.2 Market risk of price reversal: In accordance with the provisions of subparagraph 6, paragraph 1 of Article 13.

2.3 Commodity market liquidity risk: Any commodity must have two or more financial institutions or manufacturers in the market at the same time to make two-way quotations before trading.

2.4 Cash flow risk: The fair market value of the financial product under contract shall regularly disclosed in order to properly express the expected cash flow of the financial product.

2.5 Internal operation risk: In accordance with the provisions of subparagraph 3, paragraph 1 of Article 13.

2.6 Legal risk of signing contracts and related documents: Professional opinions must be issued by the legal office.

2.7 Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

2.8 Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

2.9 Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

### 3. Internal audit system

The Corporation's internal audit personnel shall periodically make a determination of the suitability of internal controls on the derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any violation is discovered, all supervisors and independent directors shall be notified in writing.

### 4. Regular assessment method and handling of abnormal situations

4.1 The board of directors shall designate the person in charge of the audit office to pay attention to the supervision and control of derivatives trading risk at all time.

4.2 The board of directors shall designate a person to regularly evaluate whether the performance of the derivative transaction is in line with the established business strategy and whether the risk assumed is within the acceptable range of the Corporation.

4.3 The head of auditing office shall regularly assess whether the currently used risk management measures are appropriate and are indeed handled in accordance with the processing procedures set out in this article, and supervise transactions and profit and loss situations. When abnormalities are found, they shall take necessary response measures and immediately report to the board of directors, and the supervisors shall be notified in writing. If independent directors have been established, independent directors shall be present on the board of directors and express their

opinions.

- 4.4 The Corporation engaging derivatives trading shall establish a log book in which details of the types and amount of derivatives trading engaged in, the board of directors approval dates, and the matters required to be carefully evaluated under Article 13, paragraph 2, subparagraph 9, and under subparagraph 2 and subparagraph 3 of this paragraph, shall be recorded in detail in the log book.

Article 14: Evaluation and operating procedures for merger, demerger, acquisition or transfer of shares.

1. Evaluation and operating procedures

- 1.1 When the Corporation conducts a merger, demerger, acquisition or transfer of shares, it is advisable to appoint an attorney, CPA, or securities underwriter to jointly discuss the estimated timetable statutory procedures and organize a task force to implement statutory procedures.

Prior to convening the board of directors to resolve on the matter, the Corporation shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid on reasonableness issued by an expert may be exempted in the case of a merger by the Corporation of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Corporation directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- 1.2 The Corporation shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1, subparagraph 1 of the Article 14 when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of

another Act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

## 2. Other things to note

1.1 Board date: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another Act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

1.2 Prior confidentiality commitment: Every person participating in or privy to the plan for merger, demerger, or acquisition, or transfer of shares shall issue a writing undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, or acquisition, or transfer of shares.

1.3 Principles for setting of share exchange ratio or acquisition price: Prior to convening the board of directors, the companies participating in a merger, demerger, or acquisition, or transfer of shares, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders meeting.

In principle, the share exchange ratio or acquisition price cannot be changed arbitrarily, but it is not restricted if the conditions for the change have been set in the contract and have been publicly disclosed.

The conditions for alteration of share exchange ratio and acquisition price are as follows:



- 1.3.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- 1.3.2 An action, such as a disposal of major assets, that affects the company's financial operations.
- 1.3.3 An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- 1.3.4 An adjustment where any of companies participating in the merger, demerger, or acquisition, or transfer of shares from another company, buys back treasury stock.
- 1.3.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- 1.3.6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- 1.4 The contract should contain content: The contract of the merger, demerger, acquisition, or transfer of shares, company shall specify the following items in addition to the provisions of Article 317 of the Company Act and the Article 22 of the Business Mergers And Acquisition Act.
  - 1.4.1 Handling of breach of contract.
  - 1.4.2 Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - 1.4.3 The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - 1.4.4 The manner of handling changes in the number of participating entities or companies.
  - 1.4.5 Preliminary progress schedule for plan execution, and anticipated completion date.
  - 1.4.6 Scheduled date for convening legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- 1.5 When the number of companies participating in a merger, demerger, acquisition, or transfer of shares changes: After public disclosure of the information, if any company

participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

1.6 Where any of companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Corporation shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of the Article 14, paragraph 2, subparagraph 1 regarding the date of the board meeting, prior confidentiality commitment, the number of companies participating in a merger, demerger, acquisition, or transfer of shares changes.

1.7 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1.7.1 Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in a case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

1.7.2 Dates of material events: Including of signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

1.7.3 Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

- 1.8 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report the information regarding of the Article 14, paragraph 2, subparagraph 7, to the FSC for recordation.
- 1.9 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of the Article 14, paragraph 2, subparagraph 7 or 8.

#### Article 15: Public disclosure of information

##### 1. Items to be declared and declared declaration standards.

- 1.1 Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds.
- 1.2 Merger, demerger, acquisition, or transfer of shares.
- 1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- 1.4 Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - 1.4.1 Trading of domestic government bonds.
  - 1.4.2 Where done by professional investors-securities trading on securities exchanges or OTC markets.
  - 1.4.3 Trading of bonds under repurchase or resale agreements, or subscription or redemption of

domestic money market funds.

1.4.4 Where equipment or right-of-use assets thereof for business use acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount less than NT\$500 million.

1.4.5 Acquisition or disposal by the company in the construction business of real property for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount less than NT\$500 million.

1.4.6 Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction less than NT\$500 million.

1.5 The amount of transactions above shall be calculated as follows, and "within the preceding year" refers to the year preceding the date of occurrence of the current transaction, and has been exempted from re-entry in accordance with the required announcement.

1.5.1 The amount of any individual transaction.

1.5.2 The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

1.5.3 The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

1.5.4 The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

2. Time limit for handling announcements and declarations.

The Corporation acquires or disposes of assets that have the

items to be announced of Article 15, paragraph 1, and the transaction amount meets the standards of Article 15, shall publicly announce and report within two days counting inclusively from the date of occurrence of the event.

### 3. Announcement declaration procedure.

3.1 The Corporation shall publicly announce and report the relevant information on the FSC's designated website.

3.2 The Corporation shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Corporation and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10<sup>th</sup> day of each month.

3.3 When the Corporation at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

3.4 The Corporation acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and CPA, attorney and securities underwriter opinions at the company, where they shall be retained for five years except where another act provides otherwise.

3.5 Where any of the following circumstances occurs with respect to a transaction that the Corporation has already publicly announced and reported in accordance with Article 15, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days counting inclusively from the date of occurrence of the event:

3.5.1 Change, termination, or rescission of a contract signed in regard to the original transaction.

3.5.2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

### 4. Announcement format

The format and content of the announcement regarding the acquisition or disposal of assets shall be handled in accordance with the regulations of the competent authority.

Article 16: The Corporation's subsidiaries shall comply with the following regulations:

1. Subsidiaries shall also formulate "Procedures for Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by the Public Companies". After approval by the subsidiary's board of directors, it shall be submitted to the subsidiary's shareholders meeting for approval. The same applies for amendments.
2. If a subsidiary is not a domestic public offering company, the assets obtained or disposed of must meet the requirements of Chapter 3 of the "Regulations Governing the Acquisition and Disposal of Assets by the Public Companies" that require an announcement and declaration, the parent company shall handle the announcement and declaration on behalf of the subsidiary.
3. Subsidiaries in the preceding paragraph shall announce the requirements of reach 20 percent of company's paid-in capital or 10 percent of total assets in the declaration standards, which shall be based on the Corporation's paid-in capital or total assets.

Article 16-1: For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 17: Penalty

The company's employees who handle to obtain or dispose of assets in violation of the provisions of the Procedures shall be submitted for assessment in accordance with the company's personnel management regulations and be punished according to the severity of the circumstances.

Article 18: Implementation and revision

After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company

shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the regulations, the board of directors shall take into full consideration each independent director's opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented, if approved by the two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" mentioned above are calculated based on the actual incumbents.

The regulations concerning independent directors and audit committee in this procedure shall be implemented after the establishment of the company.

Article 19: If there are any issues that are not covered in this procedure, it will be handled in accordance with relevant laws and regulations.

#### Article 20: Additional provisions

The Procedures was approved by the shareholders meeting on June 18, 2003.

The first amendment was made on April 29, 2004.

The second amendment was made on March 21, 2006, after the resolution of the board of directors meeting, and on June 14, 2006 after the resolution of the shareholders meeting.

The third amendment was made on April 4, 2007, after the resolution of the board of directors meeting, and on June 28, 2007 after the resolution of the shareholders meeting.

The fourth amendment was made on May 8, 2008, after the resolution of the board of directors meeting, and on June 24, 2008 after the resolution of the shareholders meeting.

The fifth amendment was made at the shareholders meeting on June 22, 2012.

The sixth amendment was passed by a resolution of the shareholders meeting on June 16, 2014.

The seventh amendment was passed by a resolution of the shareholders meeting on June 14, 2017.

The eighth amendment was passed by a resolution of the shareholders meeting on June 18, 2019.



## Appendix 7

### Chinese Maritime Transport Ltd. Shareholdings of All Directors and Supervisors

1. The paid up capital of the Company is NT\$1,974,845,930 and total issued shares of the Company is 197,484,593 shares.
2. According to Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total shareholdings of all the Directors shall not be less than 11,849,075 shares and the total shareholdings of all the Supervisors shall not be less than 1,184,907 shares.
3. According to the roster of shareholders on the book closure data of 2022 Shareholders' Meeting (March 14) are detailed in the following table.

Title	Name	Shareholding on the book closure data	Representative
Chair	William Peng	42,924,297	AGCMT Group Ltd.
Director	John Y.K. Peng	42,924,297	
Director	James S.C. Tai	42,924,297	
Director	Muh-Haur Jou	42,924,297	
Director	Char-Lie Mei	42,924,297	
Independent Director	Donald Kuo-Liang Chao	0	
Independent Director	Paul Shih-Sheng Lai	0	
Total		42,924,297	

Title	Name	Shareholding on the book closure data	Representative
Supervisor	Spencer Yang	770	Jingmao Management Consulting Co., Ltd.
Supervisor	Bing-Hsiu Kuo	770	
Total		770	