

Stock Code: 2615

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WAN HAI LINES LTD.

**Handbook for the 2012 Annual Meeting of
Shareholders**

27 June 2012

Venue: 2F, No. 16, Section 4 Zhong Shan North Road, Taipei City Jing-Guo

Memorial Hall, China Youth Corps Chientan Youth Activity Center, Qun-Ying Hall

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WAN HAI LINES LTD.

2012 Annual General Meeting Procedures

1. Commence Meeting
2. Chairman's Speech
3. Reports
4. Acknowledgements
5. Discussions
6. Special Motions
7. Dismissal

WAN HAI LINES LTD.

2012 Annual General Meeting Agendas

1. Time: 9a.m. Wednesday, 27 June 2012
2. Venue: 2F, No. 16, Section 4 Zhong Shan North Road, Taipei City Jing-Guo Memorial Hall, China Youth Corps Chientan Youth Activity Center, Qun-Ying Hall
3. Commence Meeting
4. Chairman's Speech
5. Reports
 - (1)2011 Business Report
 - (2)2011 Supervisors' Review Report
 - (3)2011 Report on Matters Pertaining to Completion of Company Issuance of Ordinary Corporate Bonds
6. Acknowledgements
 - (1)2011 Financial Report and Business Report
 - (2)2011 Earnings Appropriation
7. Discussions
 - (1)Amendments to the Regulations for Acquisition and Disposal of Assets to WAN HAI LINES LTD. And Subsidiaries
 - (2)Amendments to the Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. And Subsidiaries
 - (3)Amendments to the Memorandum of Association
 - (4)Amendments to the General Shareholders Meeting Rules
 - (5)Amendments to the Procedures for the Election of Directors and Supervisors
 - (6)Scope of Release the Non-Compete Clause for Directors
8. Special Motions
9. Dismissal

Reports

1. Please examine the 2011 Business Report
Details: Refer to Attachment 1. (pages 8~13)
2. Please examine the Supervisors' review of 2011 final statements report
Details: Refer to Attachment 3. (pages 24~25)
3. Please examine the company's issuance of ordinary domestic corporate bonds in 2011 for the purpose of collecting funds for the purchase of shipping vessels, the conditions for issuance, and status of implementation of the plan for application of funds.
Details:
 - (1) For the status of the bond issuance, status of usage of funds, and condition of implementation of the plan, please refer to Attachment 4. (page 26)
 - (2) The aforementioned corporate bonds were listed for sale on Gre Tai Securities Market from the date of issuance.

Acknowledgments

1. Agenda: Presenting the 2011 Financial Report and Business Report for acknowledgement. (To be proposed by the Board of Directors)
Details:
 - (1) The Company's 2011 balance sheet, income statement, changes in stockholder rights, cash flow table, and other financial tables (including consolidated financial statements), have already been examined and approved by accountants. The business report has also been sent to the auditor, and audit has been completed. A audit report has been included on the record.
 - (2) For the business report and financial table mentioned above, please refer to Attachments 1, 2. (pages 8~23)
 - (3) The topic is ready for discussion.Resolution:
2. Agenda: Presenting the 2011 Earnings Appropriation for acknowledgement.
(To be proposed by the Board of Directors)
Details:
 - (1) The company's 2011 undistributed profits were NTD 0. The net profit after

taxes for this term was NTD 20,306,152, and after deducting the statutory surplus reserve of NTD 2,030,615 according to law, the remaining NTD 18,275,537 was all appropriated, in accordance with regulation, into special earned surplus, and was not apportioned.

(2)For the company's Earnings Appropriation table, please refer to Attachment 5.

(page 27)

(3)The topic is ready for discussion.

Resolution:

Discussions

1. Agenda: Draft of the amendments to the “ Regulations for Acquisition and Disposal of Assets to WAN HAI LINES LTD. And Subsidiaries” submitted for discussion. (To be proposed by the Board of Directors)

Details:

(1)Regulations will be amended to cooperate with amendments made to the Financial Supervisory Commission, Executive Yuan “ Regulations Governing the Acquisition and Disposal of Assets by Public Companies ” made on 13 February 2012.

(2)For a comparative table of the amendments made to the Regulations for Acquisition and Disposal of Assets, please consult Attachment 6 (pages 28~35)

(3)The topic is ready for discussion.

Resolution:

2. Agenda: Draft of amendments to the “ Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. And Subsidiaries” submitted for discussion. (To be proposed by the Board of Directors)

Details:

(1)On the basis of written requests made on 1 August 2011 by the Taiwan Stock Exchange, “ Procedure of Endorsement and Guarantees by WAN HAI LINES LTD. And Subsidiaries,” will be amended.

(2)For a comparative table of the amendments made to the Procedure of Endorsement and Guarantees, please consult Attachment 7 (page 36)

(3)The topic is ready for discussion.

Resolution:

3. Agenda: Draft of amendments to the “ WAN HAI LINES LTD. Memorandum of Association” submitted for discussion. (To be proposed by the Board of Directors)

Details:

- (1) In order to accommodate amendments made to Article 36 of the Securities and Exchange Act, that the shareholders meetings of publicly-traded companies must take place within 6 months of the end of the fiscal year. As well as henceforth inapplicable qualifying clause in Item 2, Article 170 of the Company Act that states “ unless otherwise approved by the competent authority for good cause shown.”
- (2) The Securities Supervisory Committee has already been changed to the Financial Supervisory Commission, Executive Yuan.
- (3) Due to the aforementioned amendments, a comparative table of amendments made to the Memorandum of Association has been prepared. Please consult Attachment 8 (pages 37~39).
- (4)The topic is ready for discussion.

Resolution:

4. Agenda: In order to cooperate with changes made to regulations in the Company Act, Amendments to the General Shareholders Meeting Rules has been submitted for discussion. (To be proposed by the Board of Directors)

Details:

- (1)Amendments were made according to the newest amendments to the Company Act Item 4 Article 177, Article 177-2, Article 183 of the Company Act and referring to the reference example in Taiwan Stock Exchange Announcement Respectively aimed at "the cancellation and notification of non-attending shareholders alteration of methods for exercising voting rights," and "choosing a time for exercising voting rights" and "publicly traded companies will use the announcement method for the distribution of meeting minutes." amendments, so as to conform with legal provisions.
- (2)For a comparative chart of amendments made to the General Shareholders Meeting rules according to the regulations mentioned above, please consult Attachment 9 (pages 40~42).

(3)The topic is ready for discussion.

Resolution:

5. Agenda: In order to cooperate with the newest changes made to the Company Act, Amendments to the Procedures for the Election of Directors and Supervisors has been submitted for discussion. (To be proposed by the Board of Directors)

Details:

- (1) According to the newest amendments to Company Act Article 198 Item 1, and Taiwan Stock Exchange Announcement “ Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” the collection of votes in order to reflect the opinions of shareholders will be used, in order to conform with relevant regulations.
- (2) A comparative chart of amendments made to Procedures for the Election of Directors and Supervisors has been prepared according to the regulations mentioned above. Please consult Attachment 10 (page 43)
- (3)The topic is ready for discussion.

Resolution:

6. Agenda: Draft for release the non-compete restriction for members of the company's board of directors, submitted for discussion. (To be proposed by the Board of Directors)

Details:

- (1) According to Article 209 Item 1 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.
- (2) With the help of Company's director representative, Mr. Fu-Tian Huang based expertise and experience. Please consult Attachment 11 (page 43).
- (3) The topic is ready for discussion.

Resolution:

Special Motions

Dismissal

WAN HAI LINES LTD.

Business Report

1. Operating Principles

Adhering to sustainable business operation and fulfilling social responsibility, including the trends and spirit of environmental protection and risk management, as well as maintaining the "customer first" objective and policy. With regards to business management and route layout, striving for prudent and comprehensive planning and evaluation in advance, so as to conform with real-time market trends. On the other hand, close control and reduction of costs, and pursuing expected benefits, so as to not betray the expectations and support of shareholders and society. Additionally, continuing to create effective performance and shareholders' investment value.

Also, strengthening the Company's adaptability to its environment, promoting operational efficiency, and continuous collection and rapid integration and use of market information, so as to secure competitive power at the front of the shipping industry.

2. Implementation Overview

The ups and downs of the container shipping industry cannot be separated to trends in the global economy. The European Debt Crisis, beginning last year, has influenced global finance, resulting in uncertainty in global economic prosperity. Facing this intense change in the greater environment, the Company, with the great efforts of all its employees, has proactively conducted shipping line and shipping space optimization, and optimum vessel allocation. With the deep cultivation of near sea shipping lines, and moderate development of mid to long range shipping lines, as well as strategic collaborations with our peers, we have increased shipping space usage and decreased operating costs.

(1) External Environmental Changes

(A) Economic Prosperity: From 2011 on, the European Debit Crisis and the downgrading of U.S. credit rating have all served to seriously affect market confidence. This has caused the global container shipping industry to face serious headwinds, and a severe downturn in the operating environment.

(B) Oil Price, the regional political factors for oil-producing countries, as well as the

devaluation of the US Dollar and speculation, the IFO cost per ton averaged USD 650.8 on 2011, an approximate increase of 40% from 2010, thus increasing pressure from the cost of oil.

(C)Vessel Rental Market: The container vessel rental market continued its gains from 2010 in the beginning of 2011. From January to April it rose. The Howe Robinson Index increased from 694.5 to 915.9, an increase of 31.9%. However, starting in May, the Howe Robinson Index reversed and declined, sliding to 519.5 in December, for a decrease of 43.3%. The number of idle vessels in January was 145 vessels/326,000 TEU/ 2.3% of global tonnage. By June it had decreased to 60 vessels / 75,000 TEU/ 0.5% of global tonnage. In July the number of idle vessels began increasing again, by December it was 219 vessels / 546,000 TEU/ 3.5% of global tonnage. Due to the imbalance in projected supply and demand of tonnage, orders for construction of new ships have also weakened.

(D)Peer Competition: Due to the European Debt Crisis affecting the global economic map, many ocean-going shipping businesses have put their idle vessels into the Asian near-sea market, greatly increasing competition. Apart from paying close attention to changes in the market and strengthening the competitive power of our shipping lines, the Company has been seeking opportunities to cooperate with our peers, so as to decrease operational costs.

(E)Market Fluctuations: The European Debt Crisis and the continued rise of oil prices has led to increasingly fierce competition in the Asian region. China and India have continued their strong growth from 2010, and have become heavily contested areas. The Company has maintained its consistently resilient shipping line arrangements, with deeply cultivated inter-Asia and mid range shipping lines so as to better respond to the intense change in the market.

(2) Adjustment Strategies

Throughout the intense change in the market, the Company has maintained its competitive advantages, dispersed risk, and has continued to pro-actively strengthen its shipping lines and increase competitive power on 2011. Additionally,

the Company has implemented timely joint ventures and shipping space swap strategies with important global shipping businesses, so as to develop new markets, thereby lowering operational costs.

Facing the years global economic changes, and focusing on the Company's growth and development, in order to increase the composition of new markets, in April, the Company cooperated with its peers to begin a shipping line from Asia to the west coast of South America.

In the Asia and India, the Company has continued to look for niche markets, and make adjustments for the optimization of vessels. In order to develop the Eastern India market, a cooperate venture with FESCO Transportation Group created a Asia-Eastern India shipping line. In Asia, in April a Japan-Indonesia shipping line was created in cooperation with peers.

In addition, in the wake of increasing oil prices, the upward direction of fuel costs, and the general market trend of larger vessels, the strategies of joint ventures with peers, route consolidation, and compartment reduction are being used to reduce operational costs. With the more serious decreases of transportation prices in the Western America and European areas, a flexible adjustment and restructuring of shipping line composition has effectively slowed down the serious affects of market competitiveness.

3. Results of Implementation of Business Plan

(1) Analysis of the areas and markets

Analysis of the Company's principal areas and markets where it provides service:

The Company is primarily provides fixed date full-container shipping service, its service scope includes the Northeast Asia, China, Southeast Asia, the Middle East, India and Pakistan, the Black Sea, Eastern Africa, Southern Africa, Western America, Southern America's East Coast, and Far Europe areas. Their respective introductions are as follows:

(A) Northeast Asia

Due to the Company's many years of operation, good relationships with customers, and excellent reputation in Japan, Korea, and the Asia region, it comprises a pivotal position of operations. Along with the continuously increasing volume of imports and exports, and in order to compete for enormous business opportunities brought about by this region's steadily increasing economy and

trade, with our already established shipping lines as a base, we have focused on the two large markets of Japan and Indonesia. In April we began joint operation of a Japan - Taiwan - Indonesia shipping line with Interasia Lines. Starting in August, Yang Ming Marine Transport joined the joint operation of this shipping line. In October of the same year, we enlarged the high speed Japan - Thailand shipping line, so as to provide even more ample shipping space and an even better quality of shipping service, thus satisfying our customers' needs.

(B) Mainland China, Hong Kong, Taiwan

Shipping volume between Mainland China, Hong Kong, and China 2011 saw a increase in shipping volume of 13% in 2011 compared to 2010. Apart from increasing the number of business locations, the Company searched for possible applications for traffic rights, so as to better satisfy operating needs, and expand shipping line concentration. In the second half of the year, after acquiring the Northern China - Taiwan direct shipping line rights, cooperation with Sinotrans Limited on two Northern China - Taiwan lines began in December.

(C) Southeast Asia

In recent years the import and export volume of Southeast Asia has continued to see substantial development. In response to continued development in trade volume amongst ASEAN countries, as well as their increasingly linked trade with Mainland China, the Company has used cooperative ventures with peers to lower its operating costs, so as to maintain its competitiveness and market share in the Southeast Asian market. Beginning in May, the originally self-operated Mainland China - Vietnam - Thailand high speed shipping line was changed to joint operation. Also, in order to provide more tight-knit service, and strengthen the shipping space utilization in the area, the Company has actively pursued shipping space swaps with its peers, thus strengthening its service network.

(D) The Middle East, India, and Pakistan

India: In order to deepen and expand the Eastern India market, and provide top quality service, the Company began joint operation with Evergreen Marine and Interasia Lines to Eastern India. The composition of the Eastern India markets has continuously improved.

(E) Development of New Markets

Beginning in April of 2011, a shipping service from the principal Asian harbors to

the Western Coast of South America was created. This line increases competitiveness, and cooperatively established a completely new shipping line from Asia to the West Coast of South America.

(F) Western America, Far Europe and the Black Sea

Beginning at the start of April 2011, the Company, along with China's COSCO Shipping, Korea's Hanjin Shipping, and Singapore's PIL, jointly operated Western America shipping space, while also maintaining its original Far East to Western America round trip direct shipping line. Beginning in November, the Company's two America lines were reorganized with China's COSCO Shipping to cooperate on a Southern China - Western America shipping line. Along with shipping space swaps with Korea's Hanjin Shipping on each trip to Western America, this has served to lower operating costs and increase competitiveness.

Europe: In order to lower operating costs, the Company terminated its Far East - Western Europe shipping line jointly operated with Singapore's PIL. Instead, shipping space on China's COSCO Shipping's European shipping line were purchased, so as to continue providing excellent service.

(2) Future Market Prospects

Within the short-term, the global trade of goods will still use Asia as an important goods manufacturer. The model in which goods manufactured in China or Asia are shipped to the rest of the world will continue to strengthen. The Asian market will continue its prominence as the global engine for exports. Wan Hai caters to these trends, and is actively adjusting its shipping lines. Starting in 2011, the Company commissioned the construction of a succession of new ships. By the end of 2012, Wan Hai's fleet will have 70 vessels, with a carrying capacity of 164,127 TEU. It is projected that by the end of 2013, fleet will increase to 73 vessels, with a carrying capacity of 177,723 TEU. With the delivery of self-owned new ships, the uncertainty of ship rental costs will be lowered, and ensure market competitiveness, thus allowing the Company's operations to match Asia's rapid development and steady maturation.

4. Status of the Implementation of Operating Revenues and Expenditures

(1) Operating Revenues

Amongst the gradual recovery of the global economy, the Company has a strong footing in Asia, and has implemented timely expansions of its shipping lines and

shipping space to the Middle East, India, Europe, and America, as well as opened developing markets, thus increasing operating revenues. Revenues for 2011 were more than NTD 62,697,920,000, compared to revenues of more than NTD 64,712,060,000 in 2010. Revenues in 2011 amounted to NTD 2,014,000,000 less than revenues in 2010.

(2) Operating Expenditures

Operating expenditures for 2011 were more than NTD 63,027,650,000, compared to expenditures of more than NTD 54,549,880,000 in 2010. Expenditures in 2011 were approximately NTD 8,470,000,000 more than 2010 expenditures. The major causes are as follows:

(A) Shipping volume increased in 2011, subsequently increasing operating costs.

(B) The price of oil increased in 2011, thus greatly increasing fuel costs.

5. Profitability analysis

Net income for 2011 was more than NTD 20,300,000, earnings per share was NTD 0.01.

6. State of Research and Development

In order to respond to needs for future development, and variable marine shipping market, the Company continues to examine its current plan for shipping lines and organizational functions. With stress on maintaining an international perspective on the cultivation of human resources, and welcoming future challenges, in order to become a model world-class blue chip enterprise. At the same time in order to pursue the goals of sustainable operation and fulfilling societal responsibilities, the each of the Company's operational policies must be more prudent and comprehensive. Only then can we not betray our shareholders' and societies' expectations and support. Also, all of our colleagues must be capable of adhering to our high degree of responsibility and honor, and continue their solidarity and cooperation, in order to create even more outstanding achievements.

Independent Auditors' Report

The Board of Directors
Wan Hai Lines Ltd.

We have audited the accompanying balance sheets of Wan Hai Lines Ltd. (the Company) as of December 31, 2011 and 2010, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of some investee companies which were accounted for under the equity method and were audited by the other auditors. The Company's investments in these companies at December 31, 2011 and 2010, were \$263,203 thousand and \$9,522,397 thousand, respectively, representing 0.47% and 18.61% of total assets and related, investment income (loss) recognized by the company were \$(53,074) thousand and \$499,718 thousand, representing 13.97% and 6.97% of income before income tax, for the years ended December 31, 2011 and 2010, respectively. Those financial statements were audited by the other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those companies, is based solely on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

The Company prepared consolidated financial statements for the years ended December 31, 2011 and 2010, on which modified unqualified review reports have been given.

March 26, 2012

WAN HAI LINES LTD.

Balance Sheets

December 31, 2011 and 2010

(expressed in thousands of New Taiwan dollars, except for par value)

	2011	2010		2011	2010
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 19,892,529	16,680,813	Financial liabilities at fair value through profit or loss – current	\$ 658,192	1,226,337
Available-for-sale financial assets – current	2,651,019	2,635,007	Accounts payable – related parties	277,116	311,077
Notes receivable	28,414	32,360	Income tax payable	-	271,857
Accounts receivable	2,227,786	1,483,841	Accrued expenses	285,041	452,718
Accounts receivable – related parties	114,346	6,433	Payables for purchase of equipment	-	353,021
Other receivables	750,373	437,318	Current portion of bonds payable	-	3,000,000
Other receivables – related parties	4,989	144,998	Current portion of long-term loans	1,757,057	1,163,336
Fuels	1,169,870	1,343,373	Payables to agents	209,087	326,366
Receivables from agents	2,134,129	3,828,476	Other current liabilities	425,625	137,890
Other current assets	748,047	1,605,737	Total current liabilities	<u>8,900,837</u>	<u>12,666,298</u>
Total current assets	<u>29,822,523</u>	<u>28,393,576</u>	Long-term liabilities:		
Investments:			Bonds payable	10,400,000	-
Long-term equity investments under equity method	11,551,717	9,700,042	Long-term loans	6,864,300	5,069,860
Prepayment for long-term investments	-	170,360	Total long-term liabilities	<u>17,264,300</u>	<u>5,069,860</u>
Available-for-sale financial assets – non-current	224,892	407,515	Other liabilities:		
Financial assets measured at cost – non-current	648,438	648,438	Accrued pension liability	576,239	619,109
Bond portfolios with inactive market – non-current	1,211,600	1,165,200	Guarantee deposits received	49,712	1,085
Long-term investments – net	<u>13,636,647</u>	<u>12,091,555</u>	Deferred income tax liabilities – non-current	539,433	554,453
Fixed assets (note 13):			Deferred credits – gains from inter-affiliate accounts	162,226	191,701
Cost:			Unrealized gain on sale and leaseback	38,919	116,758
Land	620,477	297,242	Total other liabilities	<u>1,366,529</u>	<u>1,483,106</u>
Buildings	122,209	75,124	Total liabilities	<u>27,531,666</u>	<u>19,219,264</u>
Containers	16,424,659	14,857,265	Stockholders' equity :		
Computer and communication equipment	221,114	79,939	Common stock – \$10 par value per share; 2,500,000 thousand shares authorized in 2011		
Vessels	4,143,127	4,143,127	and 2010; 2,218,297 thousand shares 2,112,664 thousand shares issued as of	<u>22,182,975</u>	<u>21,126,643</u>
Privileged wharf equipment	673,311	673,311	December 31, 2011 and 2010, respectively		
Leased assets	68,609	68,609	Capital surplus	<u>2,446,570</u>	<u>2,446,570</u>
Leasehold improvement	6,508	8,678	Retained earnings:		
Furniture and fixtures	7,769	7,340	Legal reserve	5,071,860	4,700,716
Revaluation increments	1,527	1,527	Special reserve	837,493	797,610
Cost and revaluation	22,289,310	20,212,162	Unappropriated earnings	20,306	3,711,443
Less: accumulated depreciation	14,308,303	12,949,974	Total retained earnings	<u>5,929,659</u>	<u>9,209,769</u>
Prepayments for equipment	4,056,774	2,400,042	Other adjustments to stockholders' equity:		
Net fixed assets	<u>12,037,781</u>	<u>9,662,230</u>	Cumulative translation adjustments	(750,066)	(936,857)
Intangible assets:			Net loss not recognized as pension cost	(268,062)	(275,462)
Deferred pension costs	253,764	284,692	Unrealized gain (loss) on financial instruments	(592,164)	373,299
Other intangible assets	70,190	29,118	Unrealized revaluation increments	1,527	1,527
Total intangible assets	<u>323,954</u>	<u>313,810</u>	Total other adjustments to stockholders' equity	<u>(1,608,765)</u>	<u>(837,493)</u>
Other assets:			Total stockholders' equity	<u>28,950,439</u>	<u>31,945,489</u>
Refundable deposits	207,045	181,368	Commitments and contingencies		
Deferred charges	454,155	522,214			
Total other assets	<u>661,200</u>	<u>703,582</u>			
Total assets	<u>\$ 56,482,105</u>	<u>51,164,753</u>	Total liabilities and stockholders' equity	<u>\$ 56,482,105</u>	<u>51,164,753</u>

WAN HAI LINES LTD.
Statements of Income
For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars, except for earnings per share)

	2011	2010
Net operating revenue	\$ 62,697,925	64,712,063
Operating cost	<u>63,027,657</u>	<u>54,549,888</u>
Gross profit	(329,732)	10,162,175
Operating expenses	<u>1,636,880</u>	<u>1,734,274</u>
Operating income	<u>(1,966,612)</u>	<u>8,427,901</u>
Nonoperating income and gains:		
Interest income	133,570	112,804
Investment income under the equity method	1,226,603	514,757
Gain on disposal of fixed assets	920,879	82,542
Gain on disposal of investments, net	74,956	-
Foreign exchange income, net	171,805	-
Valuation gain on financial assets	566,248	1,018,727
Other income	<u>216,351</u>	<u>171,589</u>
	<u>3,310,412</u>	<u>1,900,419</u>
Nonoperating expenses and losses:		
Interest expenses	180,732	113,329
Loss on disposal of fixed assets	334	57
Loss on disposal of investments, net	-	141,003
Foreign exchange loss, net	-	1,187,496
Valuation loss on financial liabilities	745,154	1,711,956
Other losses	<u>37,605</u>	<u>636</u>
	<u>963,825</u>	<u>3,154,477</u>
Net income before income tax	379,975	7,173,843
Income tax expenses	359,669	1,726,189
Net income	<u>\$ 20,306</u>	<u>5,447,654</u>

	Before tax	After tax	Before tax	After tax
Basic earnings per share (dollars)	<u>\$ 0.17</u>	<u>0.01</u>	<u>3.23</u>	<u>2.46</u>
Diluted earnings per share (dollars)	<u>\$ 0.17</u>	<u>0.01</u>	<u>3.23</u>	<u>2.45</u>

WAN HAI LINES LTD.

Statements of Changes in Stockholders' Equity

For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain (Loss) on Financial Instruments	Unrealized Revaluation Increments	Total
Balance on January 1, 2010	\$ 21,126,643	2,440,478	4,700,716	797,610	(1,736,211)	(231,331)	(235,682)	(576,399)	1,527	26,287,351
Net income for the year ended December 31, 2010	-	-	-	-	5,447,654	-	-	-	-	5,447,654
Net loss not recognized as pension cost	-	-	-	-	-	-	(39,780)	-	-	(39,780)
Valuation adjustment of available-for-sale financial assets	-	-	-	-	-	-	-	949,698	-	949,698
Cumulative translation adjustments	-	-	-	-	-	(705,526)	-	-	-	(705,526)
Additional paid-in capital from long-term investments under the equity method	-	6,092	-	-	-	-	-	-	-	6,092
Balance on December 31, 2010	21,126,643	2,446,570	4,700,716	797,610	3,711,443	(936,857)	(275,462)	373,299	1,527	31,945,489
Net income for the year ended December 31, 2011	-	-	-	-	20,306	-	-	-	-	20,306
Appropriations of retained earnings:										
Legal reserve	-	-	371,144	-	(371,144)	-	-	-	-	-
Special reserve	-	-	-	39,883	(39,883)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,244,084)	-	-	-	-	(2,244,084)
Stock dividends	1,056,332	-	-	-	(1,056,332)	-	-	-	-	-
Valuation adjustment of available-for-sale financial assets	-	-	-	-	-	-	-	(965,463)	-	(965,463)
Net loss not recognized as pension cost	-	-	-	-	-	-	7,400	-	-	7,400
Additional paid-in capital from long-term investments under the equity method	-	-	-	-	-	186,791	-	-	-	186,791
Balance on December 31, 2011	<u>\$ 22,182,975</u>	<u>2,446,570</u>	<u>5,071,860</u>	<u>837,493</u>	<u>20,306</u>	<u>(750,066)</u>	<u>(268,062)</u>	<u>(592,164)</u>	<u>1,527</u>	<u>28,950,439</u>

Note: The directors' and supervisors' remuneration of \$33,678 and employees' bonuses of \$33,678 thousand have been recognized as operating expense.

WAN HAI LINES LTD.

Statements of Cash Flows

For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

	2011	2010
Cash flows from operating activities:		
Net income	\$ 20,306	5,447,654
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,435,159	1,967,785
Amortization	95,634	79,430
Allowance (reversal of allowance) for inventory valuation	(18,842)	-
Investment gain under the equity method	(1,226,603)	(514,757)
Cash dividend from subsidiaries	6,545	-
Gain on disposal of fixed assets	(998,384)	(160,324)
Loss (gain) on disposal of available-for-sale financial asset	(74,956)	141,003
Unrealized foreign exchange loss (gain)	112,361	(215,910)
Deferred income tax expense	68,107	1,234,083
Changes in assets:		
Financial assets at fair value through profit or loss	94,199	145,661
Notes receivable	3,946	593
Accounts receivable	(743,945)	(503,765)
Accounts receivable—related parties	(107,913)	35,440
Other receivables	(253,049)	(141,140)
Fuels	192,345	(315,516)
Other current assets	589,654	(588,153)
Receivables from agents	1,694,347	(2,028,632)
Changes in liabilities:		
Financial liabilities at fair value through profit or loss	(568,145)	(1,051,491)
Accounts payable	(134,977)	1,615,512
Accounts payable—related parties	(33,961)	78,300
Income tax payable	(271,857)	74,642
Accrued expenses	(167,677)	303,714
Other current liabilities	287,735	52,376
Payables to agents	(117,279)	99,909
Accrued pension liability	(4,542)	5,221
Net cash provided by operating activities	<u>878,208</u>	<u>5,761,635</u>
Cash flows from investing activities:		
Increase in available-for-sale financial assets	(1,199,804)	(117,659)
Proceeds from sale of available-for-sale financial assets	469,728	1,788,918
Available-for-sale financial assets—proceeds from capital reduction	6,180	2,450
Increase in long-term investments under equity method	(89,557)	(30,000)
Increase in prepayment for long-term investments	-	(105,664)
Pyments for acquisition of fixed assets	(7,513,712)	(1,706,784)
Proceeds from sale of fixed assets	3,152,959	56,188
Increase in refundable deposits	(25,677)	(12,265)
Increase in deferred charges	(1,514)	-
Payment for intangible assets	(38,720)	(21,305)
Decrease in other receivable—related parties—financing accommodation	139,682	2,486,305
Net cash provided by (used in) investing activities	<u>(5,100,435)</u>	<u>2,340,184</u>
Cash flows from financing activities:		
Increase in bonds payable	10,400,000	-
Decrease in bonds payable	(3,000,000)	(3,000,000)
Increase in long-term loans	3,571,880	1,670,200
Repayment of long-term loans	(1,342,480)	(900,969)
Increase (decrease) in guarantee deposits	48,627	(3,133)
Cash dividends	(2,244,084)	-
Net cash provided by (used in) financing activities	<u>7,433,943</u>	<u>(2,233,902)</u>
Net increase in cash and cash equivalents	3,211,716	5,867,917
Cash and cash equivalents at beginning of year	16,680,813	10,812,896
Cash and cash equivalents at end of period	<u>\$ 19,892,529</u>	<u>16,680,813</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest (excluding capitalized interest)	\$ 134,710	113,632
Cash paid for income tax	\$ 572,190	424,099
Investing and financing activities not affecting cash flows:		
Current portion of long-term loans	\$ 1,757,057	1,163,336
Current portion of bonds payable	\$ -	3,000,000
Fixed assets classified into deferred charges	\$ 913	72,343
Valuation adjustments of available-for-sale financial assets	\$ (965,463)	949,698
Stockholder's equity from long-term investments under the equity method classified as capital surplus	\$ -	6,092
Recognition of deferred pension costs and net loss not recognized as pension cost	\$ (38,328)	324,472
Accumulated translation adjustments	\$ 186,791	(705,526)
Fixed assets classified into intangible assets	\$ 27,500	5,448
Investment activity affecting both cash and non-cash items:		
Payments for acquisition of fixed assets	\$ 7,160,691	2,059,805
Decrease (increase) in payables for purchase of equipment	353,021	(353,021)
Cash payment	\$ 7,513,712	1,706,784
Proceeds from sales of fixed assets	\$ 3,212,638	57,204
Increase in other current assets	(59,679)	(1,016)
Cash received	\$ 3,152,959	56,188

Independent Auditors' Report

The Board of Directors
Wan Hai Lines Ltd.

We have audited the accompanying consolidated balance sheets of Wan Hai Lines Ltd. and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended December 31, 2011 and 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of some subsidiaries and investee companies accounted for under the equity method, and the amounts for those subsidiaries and long-term equity investment accounted for under the equity method included in the consolidated financial statements were based on the financial statements of those investee companies audited by other auditors. Those subsidiaries' assets amounted to \$176,609 thousand and \$27,335,484 thousand, which represented 0.24% and 40.92% of total consolidated assets, as of December 31, 2011 and 2010, respectively. Those subsidiaries' net operating revenues amounted to \$36,252 thousand and \$5,765,058 thousand, which represented 0.05% and 8.34% of total consolidated operating revenues, for the years ended December 31, 2011 and 2010, respectively. Long-term equity investment accounted for by the equity method amounted to \$203,573 thousand and \$18,181 thousand, which represented 0.28% and 0.03% of total consolidated assets, as of December 31, 2011 and 2010, respectively, and related investment income (loss) amounted to \$(19,186) thousand and \$17,696 thousand, which represented 4.44% and 0.24% of the consolidated income before income tax, for the years ended December 31, 2011 and 2010, respectively.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Wan Hai Lines Ltd. and its subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

March 26, 2012

WAN HAI LINES LTD.

Consolidated Balance Sheets

December 31, 2011 and 2010

(expressed in thousands of New Taiwan dollars, except for par value)

	2011	2010		2011	2010
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 23,887,501	19,957,433	Financial liabilities at fair value through profit or loss—current	\$ 877,042	1,641,129
Financial assets at fair value through profit or loss—current	101,021	195,220	Accounts payable	5,634,190	5,673,051
Available-for-sale financial assets—current	2,651,019	2,635,007	Accounts payable—related parties	283,207	396,378
Notes receivable	30,628	32,628	Income tax payable	19,945	309,730
Accounts receivable	2,918,127	3,172,970	Accrued expenses	1,206,978	939,067
Accounts receivable—related parties	115,270	6,481	Payables for purchase of equipment	-	353,021
Fuels	1,429,465	1,343,373	Current portion of long-term loans	3,472,078	2,504,011
Receivables from agents (882,718	1,875,855	Payables to agents	41,884	62,627
Restricted assets (notes 26 and 28)	306	306	Other current liabilities	1,139,387	993,389
Other current assets (note 22)	772,708	779,967	Total current liabilities	<u>12,674,711</u>	<u>15,872,403</u>
Total current assets	<u>33,819,124</u>	<u>30,659,404</u>	Long-term liabilities:		
Investment:			Financial liabilities at fair value through profit or loss—non-current	6,676,815	6,554,615
Long-term equity investments under equity method	203,573	18,181	Bonds payable	10,400,000	-
Other long-term investments	12,935	12,482	Long-term loans	12,190,202	10,216,083
Prepayment for long-term investments	-	170,360	Total long-term liabilities	<u>29,267,017</u>	<u>16,770,698</u>
Available-for-sale financial assets—non-current	224,892	407,515	Other liabilities:		
Financial assets measured at cost—non-current	648,438	648,438	Unrealized gain on sale and leaseback	443,177	611,564
Bond portfolios with inactive market—non-current	1,211,600	1,165,256	Accrued pension liability	856,629	877,850
Long-term investments—net	<u>2,301,438</u>	<u>2,422,232</u>	Guarantee deposits received	51,187	1,494
Fixed assets:			Deferred income tax liabilities—non-current	544,639	560,328
Cost:			Total other liabilities	<u>1,895,632</u>	<u>2,051,236</u>
Land	659,739	335,000	Total liabilities	<u>43,837,360</u>	<u>34,694,337</u>
Buildings	1,121,126	904,750	Stockholders' equity:		
Containers	16,424,692	14,857,298	Common stock—\$10 par value per share; 2,500,000 thousand shares authorized in 2011 and 2010; 2,218,297 thousand and 2,112,664 thousand shares issued as of December 31, 2011 and 2010, respectively	22,182,975	21,126,643
Computer and communication equipment	384,240	217,602	Capital surplus	2,446,570	2,446,570
Vessels	45,918,593	42,048,621	Retained earnings:		
Privileged wharf equipment	956,990	956,807	Legal reserve	5,071,860	4,700,716
Leasehold improvement	83,278	76,234	Special reserve	837,493	797,610
Furniture and fixtures	130,212	118,336	Unappropriated earnings (accumulated deficit)	20,306	3,711,443
Leased assets	446,821	446,159	Total retained earnings	<u>5,929,659</u>	<u>9,209,769</u>
Revaluation increments	1,527	1,527	Other adjustments to stockholders' equity:		
Cost and revaluation	66,127,218	59,962,334	Cumulative translation adjustments	(750,066)	(936,857)
Less: accumulated depreciation	34,604,228	29,984,053	Net loss not recognized as pension cost	(268,062)	(275,462)
Prepayments for equipment	4,056,774	2,400,042	Unrealized gain (loss) on financial instruments	(592,164)	373,299
Net fixed assets	<u>35,579,764</u>	<u>32,378,323</u>	Unrealized revaluation increment	1,527	1,527
Intangible assets:			Total other adjustments to stockholders' equity	<u>(1,608,765)</u>	<u>(837,493)</u>
Deferred pension costs	474,331	535,854	Minority interest	162,795	156,473
Other intangible assets	72,862	32,986	Total stockholders' equity	<u>29,113,234</u>	<u>32,101,962</u>
Total intangible assets	<u>547,193</u>	<u>568,840</u>	Commitments and contingencies		
Other Assets:					
Refundable deposits	241,631	240,146			
Deferred charges	457,380	525,059			
Deferred income tax assets—non-current	3,361	1,825			
Other assets	703	470			
Total other assets	<u>703,075</u>	<u>767,500</u>			
Total assets	<u>\$ 72,950,594</u>	<u>66,796,299</u>	Total liabilities and stockholders' equity	<u>\$ 72,950,594</u>	<u>66,796,299</u>

WAN HAI LINES LTD.

Consolidated Statements of Income

For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars, except for earnings per share)

	2011	2010		
Net operating revenue	\$ 66,824,814	69,162,989		
Operating cost	<u>64,364,326</u>	<u>55,008,774</u>		
Gross profit	2,460,488	14,154,215		
Operating expenses	<u>2,785,760</u>	<u>4,167,027</u>		
Operating income	<u>(325,272)</u>	<u>9,987,188</u>		
Nonoperating income and gains:				
Interest income	194,907	98,245		
Investment income under the equity method	-	17,696		
Gain on disposal of fixed assets	920,879			
Gain on disposal of investments, net	74,956			
Foreign exchange income, net	304,970			
Valuation gain on financial assets	772,391	1,546,045		
Other income	273,481	280,991		
	<u>2,541,584</u>	<u>2,069,499</u>		
Nonoperating expenses and losses:				
Interest expenses	647,424	619,191		
Loss on disposal of fixed assets	1,853	57		
Loss on disposal of investment, net	-	141,003		
Investment loss under the equity method	19,186	-		
Foreign exchange loss, net	-	1,159,119		
Valuation loss on financial liabilities	818,364	2,893,774		
Other losses	297,187	663		
	<u>1,784,014</u>	<u>4,813,807</u>		
Net income before income tax	432,298	7,242,880		
Income tax expenses	399,990	1,781,419		
Net income	<u>\$ 32,308</u>	<u>5,461,461</u>		
Attributable to				
Parent company	\$ 20,306	5,447,654		
Minority interest	12,002	13,807		
	<u>\$ 32,308</u>	<u>5,461,461</u>		
	<u>Before tax</u>	<u>After tax</u>	<u>Before tax</u>	<u>After tax</u>
Basic earnings per share (dollars)	<u>\$ 0.17</u>	<u>0.01</u>	<u>3.23</u>	<u>2.46</u>
Diluted earnings per share (dollars)	<u>\$ 0.17</u>	<u>0.01</u>	<u>3.23</u>	<u>2.45</u>

WAN HAI LINES LTD.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain (Loss) on Financial Instruments	Unrealized Revaluation Increment	Minority Interest	Total
Balance on January 1, 2010	\$ 21,126,643	2,440,478	4,700,716	797,610	(1,736,211)	(231,331)	(235,682)	(576,399)	1,527	147,768	26,435,119
Net income for the year ended December 31, 2010	-	-	-	-	5,447,654	-	-	-	-	13,807	5,461,461
Net loss not recognized as pension cost	-	-	-	-	-	-	(39,780)	-	-	-	(39,780)
Minority interest	-	-	-	-	-	-	-	-	-	(254)	(254)
Valuation adjustment of available-for-sale financial assets	-	-	-	-	-	-	-	949,698	-	-	949,698
Cumulative translation adjustments	-	-	-	-	-	(705,526)	-	-	-	(4,848)	(710,374)
Additional paid-in capital from long-term investments under the equity method	-	6,092	-	-	-	-	-	-	-	-	6,092
Balance on December 31, 2010	21,126,643	2,446,570	4,700,716	797,610	3,711,443	(936,857)	(275,462)	373,299	1,527	156,473	32,101,962
Net income for the year ended December 31, 2011	-	-	-	-	20,306	-	-	-	-	12,002	32,308
Appropriations of retained earnings:											
Legal reserve	-	-	371,144	-	(371,144)	-	-	-	-	-	-
Special reserve	-	-	-	39,883	(39,883)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,244,084)	-	-	-	-	-	(2,244,084)
Stock dividends	1,056,332	-	-	-	(1,056,332)	-	-	-	-	-	-
Net loss not recognized as pension cost	-	-	-	-	-	-	7,400	-	-	-	7,400
Minority interest	-	-	-	-	-	-	-	-	-	(3,039)	(3,039)
Valuation adjustment of available-for-sale financial assets	-	-	-	-	-	-	-	(965,463)	-	-	(965,463)
Cumulative translation adjustments	-	-	-	-	-	186,791	-	-	-	(2,641)	184,150
Balance on December 31, 2011	<u>\$ 22,182,975</u>	<u>2,446,570</u>	<u>5,071,860</u>	<u>837,493</u>	<u>20,306</u>	<u>(750,066)</u>	<u>(268,062)</u>	<u>(592,164)</u>	<u>1,527</u>	<u>162,795</u>	<u>29,113,234</u>

Note: The directors' and supervisors' remuneration of \$33,678 and employees' bonuses of \$33,678 have been recognized as operating expense.

WAN HAI LINES LTD.

Consolidated Statements of Cash Flows

For the years ended December 31, 2011 and 2010
(expressed in thousands of New Taiwan dollars)

	2011	2010
Cash flows from operating activities:		
Net income	\$ 32,308	5,461,461
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,964,560	4,656,490
Amortization	98,670	81,607
Allowance (reversal of allowance) for inventory valuation	(18,842)	-
Investment loss (income) under the equity method	19,186	(17,696)
Cash dividend from subsidiary	16,417	9,508
Gain on disposal of fixed assets, net	(1,087,408)	(319,024)
Gain (loss) on disposal of available-for-sale assets	(74,956)	141,003
Unrealized foreign exchange loss	112,361	-
Deferred income tax expenses	63,422	1,232,660
Changes in assets:		
Financial assets at fair value through profit or loss	94,199	175,132
Notes receivable	2,000	325
Accounts receivable	254,843	(1,200,415)
Accounts receivable – related parties	(108,789)	7,810
Other receivables	(310,518)	(140,972)
Fuels	(67,250)	(315,516)
Other current assets	(260,021)	300,941
Receivables from agents	993,137	(884,871)
Changes in liabilities:		
Financial liabilities at fair value through profit or loss	(641,887)	(1,109,651)
Accounts payable	(38,861)	1,262,180
Accounts payable – related parties	(113,171)	101,288
Income tax payable	(289,785)	87,318
Accrued expenses	267,911	336,869
Other current liabilities	145,998	395,079
Accrued pension liability	47,702	4,365
Payables to agents	(20,743)	39,168
Net cash provided by operating activities	<u>4,080,483</u>	<u>10,305,059</u>
Cash flows from investing activities:		
Increase in available-for-sale financial assets	(1,199,804)	(117,659)
Proceeds from sale of available-for-sale financial assets	469,728	1,788,918
Available-for-sale financial assets – proceeds from capital reduction	6,180	2,450
Proceeds from sale of bond portfolios with inactive market	56	-
Increase in long-term investments under equity method	(89,557)	-
Increase in prepayment for long-term investment	-	(105,664)
Payments for acquisition of fixed assets	(9,955,521)	(1,797,336)
Proceeds from sale of fixed assets	3,154,468	105,076
Increase in refundable deposits	(1,485)	(39,139)
Payment for deferred charges	(3,462)	(3,606)
Payment for intangible assets	(38,812)	(21,891)
Increase in other assets	(233)	19
Net cash used in investing activities	<u>(7,658,442)</u>	<u>(188,832)</u>
Cash flows from financing activities:		
Decrease in short-term loans	-	(626,138)
Increase in bonds payable	10,400,000	-
Decrease in bonds payable	(3,000,000)	(3,000,000)
Increase in long-term loans	5,232,455	2,515,762
Repayment of long-term loans	(2,704,882)	(3,148,511)
Increase (decrease) in guarantee deposits	49,693	(2,724)
Cash dividends paid	(2,244,084)	-
Change in minority interest	(3,039)	5,838
Net cash provided by (used in) financing activities	<u>7,730,143</u>	<u>(4,255,773)</u>
Effect of exchange rate changes	(222,116)	453,042
Net increase in cash and cash equivalents	3,930,068	6,313,496
Cash and cash equivalents at beginning of year	19,957,433	13,643,937
Cash and cash equivalents at end of period	<u>\$ 23,887,501</u>	<u>\$ 19,957,433</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest (excluding capitalized interest)	\$ 603,888	616,737
Cash paid for income tax	\$ 627,834	458,780
Investing and financing activities not affecting cash flows:		
Current portion of long-term loans	\$ 3,472,078	2,504,011
Current portion of bonds payable	\$ -	3,000,000
Fixed asset reclassified as deferred charges	\$ 913	72,343
Valuation adjustments of available-for-sale financial assets	\$ (965,463)	949,698
Accumulated translation adjustment	\$ 186,791	(705,526)
Recognition of deferred pension cost and net loss not recognized as pension cost	\$ (68,923)	575,634
Fixed assets reclassified as intangible assets	\$ 27,500	5,448
Investment activity affecting both cash and non-cash items:		
Payments for acquisition of fixed assets	\$ 9,602,500	2,150,357
Increase (decrease) in payables for purchase of equipment	353,021	(353,021)
Cash payment	\$ 9,955,521	1,797,336
Proceeds from sales of fixed assets	\$ 3,214,147	106,092
Increase in other receivables – sale of fixed assets	(59,679)	(1,016)
Cash received	\$ 3,154,468	105,076

Attachment 3

Supervisors' Report for Fiscal Year 2011

In accordance with Article 219 of the Company Act, the board of Directors has submitted year 2011 final statements, including the business report, financial statements and the earnings distribution proposal of the company. The Supervisors have examined the reports and found that they fairly present the company's financial position. Based on this result, we issued this Supervisors' Report and submitted year 2011 financial statements herewith to be approved.

To the general shareholders meeting of 2012

WAN HAI LINES LTD.

Supervisor Yee Sing Co., Ltd.

Representative

Mei-Huei Wu



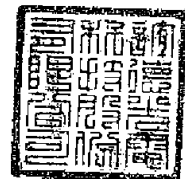
Supervisor Hwa-Mei LinYen



Supervisor Yi Teh Optical Technology Co., Ltd.

Representative

Chih-Hsiang Chen



April 24, 2012

Supervisors' Report for Fiscal Year 2011

In accordance with Article 219 of the Company Act, the board of Directors has submitted year 2011 consolidated final statements, including the consolidated business report, and consolidated financial statements. The Supervisors have examined the reports and found that they fairly present the financial groups' position. Based on this result, we issued this Supervisors' Report and submitted year 2011 consolidated financial statements herewith to be approved.

To the general shareholders' meeting of 2012

WAN HAI LINES LTD.

Supervisor Yee Sing Co., Ltd.

Representative

Mei-Huei Wu



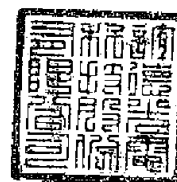
Supervisor Hwa-Mei LinYen



Supervisor Yi Teh Optical Technology Co., Ltd.

Representative

Chih-Hsiang Chen



March 27, 2012

Attachment 4

The Terms and Implementation Status of Corporate Bonds Issuance in 2011

1. Corporate Bond information

Type of Corporate Bond	1 st Ordinary Unsecured Bond Issuing of 2011		2 nd Ordinary Unsecured Bond Issuing of 2011
	A	B	
Date of Approval	9 June 2011		19 July 2011
No. of Approval	FSC notice No. 1000026487		FSC notice No. 1000033449
Date of Issuance	22 June 2011	24 June 2011	28 July 2011
Par Value	TWD 1,000,000		TWD 1,000,000
Place of Listing	At R.O.C.		At R.O.C.
Issued Price	At Par value		At Par value
Total Issued Amount	TWD3,000million	TWD4,500 million	TWD2,900 million
Coupon rate	Fixed annual rate at 1.65%	Fixed annual rate at 1.85%	Fixed annual rate at 1.75%
Maturity date	5-year , Date of maturity : June 22, 2016	7-year , Date of maturity : June 24, 2018	6-year , Date of maturity : July 28, 2017

2. The above Corporate Bonds were OTC traded in Gre Tai Securities Market starting on the day of issuance.

3. Status of capital utilization and implementation plan

(1) Sum of capital needed for the plan: TWD 18,223,738 thousand

(2) Source of Capital: TWD 10,400,000 thousand provided by issuance of Corporate Bonds, the remaining TWD 7,823,738 thousand is expected to be provided from own funds or loans

(3) Condition of implementation is as follows:

Unit: TWD 1,000

Program Item	Execution Status		Accumulated till Mar 31,2012	Reason for being ahead or behind schedule
Vessel purchase	Amount	Program	18,223,738	Actual payment according to contract schedule
		Actual	7,74,755	
	Progress	Program	100.00%	
		Actual	39.37%	

2011 Earnings Appropriation

Unit: NTD

Items	Sub-Total	Total
Undistributed Earnings for beginning of period	20,306,152	0
Added: 2011 post-tax net income		
Earnings available for Distribution		20,306,152
Subtractions:		
Provided for legal reserve	(2,030,615)	
Provided for shareholders' equity special reserve	(18,275,537)	
Items for Appropriation:		
Shareholders Dividends	(0)	
Employee Bonus	(0)	
Director and Supervisor remuneration	(0)	
Undistributed earnings for end of period		0

Notes:

1. Legal reserve, dividends, Director and Supervisor remunerations, and employee bonuses are distributed according to Article 11 of the Company's Memorandum of Association
2. Special Reserve: According to provisions stated in Ministry of Finance's Securities Supervisory Committee Taiwan Financial Securities No. 100116 Announcement, made on 3 January 2000.
According to the two provisions of the announcement, when apportioning earnings, the amount of shareholders' equity should be listed in undistributed earnings under special reserves which may not be apportioned as the same amount. Subsequently when amount of shareholders' equity has turnaround, the amount of turnaround must be apportioned earnings.
3. Dividends, Employee Bonuses, and Director and Supervisor remunerations were not distributed during that year.

Comparative Table: Amendments to Regulations for Acquisition and Disposal of Assets

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:</p> <p>1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission, Executive Yuan <u>within two days of the occurrence of the event</u>, according to the prescribed format:</p> <p>(1) <u>Intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and 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.</u></p> <p>(2) <u>Conducting mergers, spin-offs, purchases, or assignment of shares</u></p> <p>(3) <u>When losses from engagement in derivative product transactions reaches the full limit as set by the regulating process or individual contracts.</u></p> <p>In addition to the three asset transactions listed above, disposition of claims by financial institutions, <u>or engagement in investment in Mainland China</u>, those transactions reaching 20% of the Company's paid-in capital or NTD 300,000,000. However, the following circumstances do not fall under these restrictions:</p> <p>(A) Trading of government bonds.</p> <p>(B) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.</p> <p>(C) Trading of bonds under repurchase/resale agreements.</p> <p>(D) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(E) Where land is acquired under an arrangement on engaging others to build on the company's own land, <u>engaging others to build on rented land</u>, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</p> <p>The amount of transactions above shall be calculated as follows:</p>	<p>Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:</p> <p>1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission, Executive Yuan <u>within two days as from the occurrence of the event</u>, according to the prescribed format:</p> <p>(1) <u>Intends to acquire of real property from or to a related party.</u></p> <p>(2) <u>Engagement in investment in Mainland China.</u></p> <p>(3) When losses from engagement in derivative product transactions reaches the full limit as set by the regulating process or individual contracts.</p> <p>In addition to the three asset transactions listed above, disposition of claims by financial institutions, those transactions reaching 20% of the Company's paid-in capital or NTD 300,000,000. However, the following circumstances do not fall under these restrictions:</p> <p>(A) Trading of government bonds.</p> <p>(B) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.</p> <p>(C) Trading of bonds under repurchase/resale agreements.</p> <p>(D) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(E) Where land is acquired under an arrangement on engaging others to build on the company's own land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</p> <p>The amount of transactions above shall be calculated as follows:</p>	<p>According to " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" Article 30.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>(a) The amount of any individual transaction.</p> <p>(b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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 10th day of each month.</p> <p>When the company 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.</p> <p>The company 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 headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>2. For the domestic or foreign subsidiaries of the Company which are considered non-public companies, announcements and reports required for their acquisition or disposal of assets should be handled according to the guidelines stipulated by these regulations.</p> <p>In the announcements and reports of the subsidiaries, the portions stating "composes 20% of the Company's paid-in capital" or "fixed at 10% of</p>	<p>(a) The amount of any individual transaction.</p> <p>(b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding item (b) refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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 10th day of each month.</p> <p>When the company 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.</p> <p>The company 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 headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>2. For the domestic or foreign subsidiaries of the Company which are considered non-public companies, announcements and reports required for their acquisition or disposal of assets should be handled according to the guidelines stipulated by these regulations.</p> <p>In the announcements and reports of the subsidiaries, the portions stating "composes 20% of the Company's paid-in capital" the paid-in capita</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p><u>total assets,</u> the paid-in capital or total assets should be that of the parent company.</p> <p>Those referred to as "subsidiaries" are those domestic or foreign companies where the Company has direct or indirect control:</p> <p>(1) The Company directly possesses more than 50% of issued voting shares of a company it has invested in.</p> <p>(2) The Company through its subsidiary indirectly controls more than 50% of issued voting shares of each company it has invested in, and so on.</p> <p>(3) The Company directly or through its subsidiary indirectly controls more than 50% of voting shares of each company it has invested in, and so on.</p>	<p>should be that of the parent company.</p> <p>Those referred to as "subsidiaries" are those domestic or foreign companies where the Company has direct or indirect control:</p> <p>(1) The Company directly possesses more than 50% of issued voting shares of a company it has invested in.</p> <p>(2) The Company through its subsidiary indirectly controls more than 50% of issued voting shares of each company it has invested in, and so on.</p> <p>(3) The Company directly or through its subsidiary indirectly controls more than 50% of voting shares of each company it has invested in, and so on.</p>	<p>According to " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" Article 33.</p>
<p>Article 5: For all assets conforming to the standards outlined in Article 4 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.</p> <p>1. For the acquisition or disposal of real estate or other fixed assets, apart from transactions with governmental organizations, construction on owned land, <u>engaging others to build on rented land</u>, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of machinery and equipment for business operation, <u>an appraisal report by a professional appraisal institution must be obtained before the day of transaction</u>. Additionally, it must conform to the following regulations:</p> <p>(1) The range of the appraised value should use the regular price as reference. In the case of fixed prices, specific prices, or special prices, it must be indicated whether or not it conforms with the rules in Article 10 and 11 of the Land Appraisal Technical Specifications. If for a particular reason fixed prices, specific prices, or special prices must be used as the basis for consideration, that transaction should be first presented to the Board of Directors for approval, and also reported to the Company's supervisors and referred to in the next shareholders meeting report. Conditions which change in future transactions must be submitted to the above procedure with the necessary modifications.</p> <p>(2) If the appraised value of a professional appraisal report is different from the sum of the transaction by more than 20%, <u>unless the appraised value of an acquired asset is lower than the sum of the transaction, or the appraised value of an disposed</u></p>	<p>Article 5: For all assets conforming to the standards outlined in Article 4 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.</p> <p>1. For the acquisition or disposal of real estate or other fixed assets, apart from transactions with governmental organizations, construction on owned land, construction on rented land, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of machinery and equipment for business operation, <u>an appraisal report by a professional appraisal institution</u>. Additionally, it must conform to the following regulations:</p> <p>(1) The range of the appraised value should use the regular price as reference. In the case of fixed prices, specific prices, or special prices, it must be indicated whether or not it conforms with the rules in Article 10 and 11 of the Land Appraisal Technical Specifications. If for a particular reason fixed prices, specific prices, or special prices must be used as the basis for consideration, that transaction should be first presented to the Board of Directors for approval, and also reported to the Company's supervisors and referred to in the next shareholders meeting report. Conditions which change in future transactions must be submitted to the above procedure with the necessary modifications.</p> <p>(2) If the appraised value of a professional appraisal report is different from the sum of the transaction by more than 20%, a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion</p>	<p>According to " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" Article 9.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>asset is higher than the sum of the transaction, a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided. The so-called difference between an appraisal results and the sum of the transaction uses the sum of the transaction as a benchmark.</p> <p>(3) If the sum of a transaction is over NTD 1,000,000,000, two or more professional appraisal reports must be obtained. If the appraised values of two or more professional appraisal reports are different from the sum of the transaction by more than 10%, <u>unless the appraised value of an acquired asset is lower than the sum of the transaction, or the appraised value of an disposed asset is higher than the sum of the transaction,</u> a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided.</p> <p>(4) <u>The date of the completion of a professional appraisal report</u> and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.</p> <p>(5) If the appraisal organization submits a "going price report" or "estimated price report" in place of a appraised price report, the recorded content must conform with the above-mentioned regulations concerning the creation of a price appraisal report</p> <p>(6) If the appraisal organization clearly states in its Memorandum of Association or Business Registration Certificate as its business consisting of</p>	<p>concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided. The so-called difference between an appraisal results and the sum of the transaction uses the sum of the transaction as a benchmark.</p> <p>(3) If the sum of a transaction is over NTD 1,000,000,000, two or more professional appraisal reports must be obtained. If the appraised values of two or more professional appraisal reports are different from the sum of the transaction by more than 10%, a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided.</p> <p>(4) <u>Before the establishment of the contract appraisal report</u> and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.</p> <p>(5) <u>Unless using fixed prices, specific prices, or special prices as the basis for consideration, if there is proper reason for being unable to provide a prompt appraisal report, the opinion of a CPA as stated in (2) or (3), a report must be obtained within two weeks of the date of occurrence. Additionally, the results of the originally announced transactions and the appraisal price must be corrected. In the event of circumstances stated in (2) or (3), the reason for difference in the announcement and the opinion of the CPA must be submitted.</u></p> <p>(6) If the appraisal organization submits a "going price report" or "estimated price report" in place of a appraised price report, the recorded content must conform with the above-mentioned regulations concerning the creation of a price appraisal report</p> <p>(7) If the appraisal organization clearly states in its Memorandum of Association or Business Registration Certificate as its business consisting of</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>the appraisal of real estate or other fixed assets, the organization and appraisers should have no relation to the parties involved in the appraised transaction, as is described in the Financial Accounting Standards Announcement No. 6.</p> <p>2. The Company 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, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, <u>the company 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 ARDF.</u> 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 (FSC), Executive Yuan.</p> <p>(1)Negotiable securities established by promotion or stock flotation that were acquired by cash contributions.</p> <p>(2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.</p> <p>(3)Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.</p> <p>(4>Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.</p> <p>(5) Public Bonds, repurchased bonds, or resale bonds</p> <p>(6) Domestic or foreign endowments.</p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment</p> <p>(8)Negotiable securities where the public issuing company use cash injection subscription, and the acquired negotiable securities are not considered private placement.</p>	<p>the appraisal of real estate or other fixed assets, the organization and appraisers should have no relation to the parties involved in the appraised transaction, as is described in the Financial Accounting Standards Announcement No. 6.</p> <p>2. The Company acquiring or disposing of securities shall, <u>shall obtain financial statements of the issuing company</u> for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, <u>the company shall additionally engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price.</u> 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 ARDF. 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 (FSC), Executive Yuan.</p> <p>(1)Negotiable securities established by promotion or stock flotation that were acquired by cash contributions.</p> <p>(2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.</p> <p>(3)Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.</p> <p>(4>Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.</p> <p>(5) Public Bonds, repurchased bonds, or resale bonds</p> <p>(6) Domestic or foreign endowments.</p> <p>(7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment</p> <p>(8)Negotiable securities where the public issuing company use cash injection subscription, and the acquired negotiable securities are not considered private placement.</p>	<p>According to “ Regulations Governing the Acquisition and Disposal of Assets by Public Companies” Article 10.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>(9) Endowments which were purchased before establishment, which were conformed with the regulations established in Item 1, Article 11 of the Securities Investment Trust and Consulting Act, and decree No. 09300005249 made by the Financial Supervisory Commission, Executive Yuan on 1 November 2004.</p> <p>(10) Domestic private equity funds that are purchased or bought back. If the trust deed clearly states investment strategy, except for products such as securities credit transactions and those securities which have yet to be written off, the remainder is the same as the private equity funds investment scope.</p> <p>3. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.</p> <p>4. When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and 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, the company 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>(1) <u>The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</u></p> <p>(2) <u>The reason for choosing the related party as a trading counterparty.</u></p> <p>(3) <u>With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms.</u></p> <p>(4) <u>The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</u></p> <p>(5) <u>Monthly cash flow forecasts 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.</u></p> <p>(6) <u>An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</u></p>	<p>(9) Endowments which were purchased before establishment, which were conformed with the regulations established in Item 1, Article 11 of the Securities Investment Trust and Consulting Act, and decree No. 09300005249 made by the Financial Supervisory Commission, Executive Yuan on 1 November 2004.</p> <p>(10) Domestic private equity funds that are purchased or bought back. If the trust deed clearly states investment strategy, except for products such as securities credit transactions and those securities which have yet to be written off, the remainder is the same as the private equity funds investment scope.</p> <p>3. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.</p> <p>4. When the Company <u>acquires real estate from parties concerned, apart from joint development contracts, it must be done according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Securities and Futures Institute.</u> Additionally, the Company must draw up a monthly cash revenue and expenditure forecast table beginning from the month in which the contract was established, as well as an assessment of the necessity and rationality of capital utilization. After submittal to and subsequent adoption by the Board of Directors and acknowledgement by the Supervisors, the real estate may be acquired. <u>A report must also be submitted to the next shareholders meeting. If the sum of the transactions reaches the standards as outlined by these procedures, a public announcement must be made.</u></p>	<p>According to " Regulations Governing the Acquisition and Disposal of Assets by Public Companies" Article 14.</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p><u>(7) Restrictive covenants and other important stipulations associated with the transaction.</u> <u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.</u> <u>With respect to the acquisition or disposal of business-use machinery and equipment between the company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</u></p>		
<p>5. If the estimate for the acquisition of real estate between the Company and parties concerned carried out according to relevant regulations is lower than sum of the transaction, the following items must be conducted:</p> <p>(1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.</p> <p>(2) The supervisor should handle it according to Article 218 of the Company Act.</p> <p>(3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>When the company creates a special reserve, the high-price asset acquired is filed under a loss from decline in market value or disposal or considered appropriate, compensation or restitution, or other evidence that determines no irrationality, the special reserve may employed after approval from the Financial Supervisory Commission, Executive Yuan.</p>	<p>5. If the estimate for the acquisition of real estate between the Company and parties concerned carried out according to relevant regulations is lower than sum of the transaction, the following items must be conducted:</p> <p>(1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.</p> <p>(2) The supervisor should handle it according to Article 218 of the Company Act.</p> <p>(3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>When the company creates a special reserve, the high-price asset acquired is filed under a loss from decline in market value or disposal or considered appropriate, compensation or restitution, or other evidence that determines no irrationality, the special reserve may employed after approval from the Financial Supervisory Commission, Executive Yuan.</p>	<p>According to “ Regulations Governing the Acquisition and Disposal of Assets by Public Companies” Article 24.</p>
<p>6. When the Company participates in a merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission, Executive Yuan is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record, and saved</p>	<p>6. When the Company participates in a merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission, Executive Yuan is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record,</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>for 5 years auditing purposes. Basic staff information and dates of important matters must submitted to the Financial Supervisory Commission, Executive Yuan via the Internet information reporting system for reference <u>within two days of approval by the Board of Directors.</u></p>	<p>and saved for 5 years auditing purposes. Basic staff information and dates of important matters must submitted to the Financial Supervisory Commission, Executive Yuan via the Internet information reporting system for reference <u>within two days as from the approval</u> by the Board of Directors.</p>	
<p>Article 9: These regulations were created on 18 May 1990 The 1st amendment was made on 1 May 1992 The 2nd amendment was made on 29 May 1995 The 3rd amendment was made on 24 May 2000 The 4th amendment was made on 26 June 2003 The 5th amendment was made on 27 June 2007 The 6th amendment was made on 27 June 2012</p>	<p>Article 9: These regulations were created on 18 May 1990 The 1st amendment was made on 1 May 1992 The 2nd amendment was made on 29 May 1995 The 3rd amendment was made on 24 May 2000 The 4th amendment was made on 26 June 2003 The 5th amendment was made on 27 June 2007</p>	<p>The date of amendment was revised.</p>

Comparative Table: Amendments to Procedure of Endorsement and Guarantees

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 4: Amount limitations of Endorsements and Guarantees</p> <ol style="list-style-type: none"> 1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth. 2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company's net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees. 3. The Endorsements and guarantees made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. Business dealings refer to the total purchase or sale of goods between the two parties. 4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of net worth. 5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of net worth. 6. Endorsements and guarantees made by the Company to its subsidiaries, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, <u>are not subject to the restrictions of rules contained in this Article's second, third, or fifth item.</u> 	<p>Article 4: Amount limitations of Endorsements and Guarantees</p> <ol style="list-style-type: none"> 1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth. 2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company's net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees. 3. The Endorsements and guarantees made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. <u>But agreed by the Board, subject to this restriction.</u> Business dealings refer to the total purchase or sale of goods between the two parties. 4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of net worth. 5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of net worth. <u>But agreed by the Board, subject to this restriction.</u> 6. Endorsements and guarantees made by the Company to its subsidiaries, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, <u>are not subject to the restrictions of rules contained in this Article's second, third.</u> 	<p>1. Amendments are made in order to confirm to the written request No.1001803760 made by the Taiwan Stock Exchange Co., Ltd.</p> <p>Notes: Wan Hai Lines Ltd. principally issues endorsements and guarantees for subsidiaries where it directly or indirectly holds 100% of shares. After considering the industry features and the standards of the same trade, the limit of the total sum of external endorsements / guarantees and endorsements / guarantees to a single corporation are separately set at under 200% and 40% of net worth, respectively. Undergoing careful evaluation, that no major misgivings towards the finances of the Company or its subsidiaries. (Amended on 18 June 2010)</p>
<p>Article 15: The Procedures were created on 21 May 1991 The 1st amendment was made on 7 May 1997 The 2nd amendment was made on 27 Sep 2002 The 3rd amendment was made on 26 June 2003 The 4th amendment was made on 23 June 2005 The 5th amendment was made on 23 June 2006 The 6th amendment was made on 19 June 2009 The 7th amendment was made on 18 June 2010 <u>The 8th amendment was made on 27 June 2012</u></p>	<p>Article 15: The Procedures were created on 21 May 1991 The 1st amendment was made on 7 May 1997 The 2nd amendment was made on 27 Sep 2002 The 3rd amendment was made on 26 June 2003 The 4th amendment was made on 23 June 2005 The 5th amendment was made on 23 June 2006 The 6th amendment was made on 19 June 2009 The 7th amendment was made on 18 June 2010</p>	<p>The date of amendment was revised.</p>

Attachment 8

Comparative Table: Amendments to Memorandum of Association

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 6: Shareholders Meeting</p> <ol style="list-style-type: none"> 1. The shareholders meeting is composed of all of the shareholders, and are separated into general shareholders meetings and extraordinary shareholders meetings. General shareholders meetings are held once a year, within six months of the end of the fiscal year, and are held in accordance to law by the board of directors. 2. The general shareholders meeting is chaired by the chairman of the board of directors. If for some reason the chairman of the board is unable to attend, the vice chairman takes his or her place. 3. At the time of the shareholders meeting, apart from when otherwise regulated by the Company Act, when over half of issued shares are represented, a motion may be passed with over half of the present shareholders' votes. 4. When a shareholder is unable to attend the shareholders meeting, a proxy may be appointed, specifying the scope of delegated authority. In the event that one proxy represents two or more shareholders, his or her representative voting right may not surpass 3% of the total of shares distributed, shares in excess of 3% may not be counted. 5. Each share of the Company held by a shareholder counts as one vote. 	<p>Article 6: Shareholders Meeting</p> <ol style="list-style-type: none"> 1. The shareholders meeting is composed of all of the shareholders, and are separated into general shareholders meetings and extraordinary shareholders meetings. General shareholders meetings are held once a year, within six months of the end of the fiscal year, and are held in accordance to law by the board of directors, <u>but proper matters that have been approved by the competent authorities are not subject to these restrictions.</u> 2. The general shareholders meeting is chaired by the chairman of the board of directors. If for some reason the chairman of the board is unable to attend, the vice chairman takes his or her place. 3. At the time of the shareholders meeting, apart from when otherwise regulated by the Company Act, when over half of issued shares are represented, a motion may be passed with over half of the present shareholders' votes. 4. When a shareholder is unable to attend the shareholders meeting, a proxy may be appointed, specifying the scope of delegated authority. In the event that one proxy represents two or more shareholders, his or her representative voting right may not surpass 3% of the total of shares distributed, shares in excess of 3% may not be counted. 5. Each share of the Company held by a shareholder counts as one vote. 	<p>According to regulations of Article 36 of the Securities and Exchanges Act: The regular meeting of shareholders of a company whose stock is listed on the stock exchange or traded over-the-counter shall be held within six months after the close of each fiscal year, and the proviso of Article 170, item 2 of the Company Act shall not apply.</p>
<p>Article 7: The Board of Directors</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors consists of 7 individuals, elected by shareholders possessing the capacity to do so. The term of office is three years, and directors may be reelected to serve another term. 2. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors. 3. Article 208 of the Company Act shall apply when the directors' meeting is suspended. 4. The Board of Directors meets once every three months, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the 	<p>Article 7: The Board of Directors</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors consists of 7 individuals, elected by shareholders possessing the capacity to do so. The term of office is three years, and directors may be reelected to serve another term. 2. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors. 3. Article 208 of the Company Act shall apply when the directors' meeting is suspended. 4. The Board of Directors meets once every three months, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the 	

Clause after amendment	Clause before amendment	Reason for amendment
<p>Chairman has not indicated a representative, the directors may nominate a director to take his or her place.</p> <p>Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors.</p> <p>5. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act.</p> <p>6. The total number of shares of the Company held by the entirety of the Board of Directors must comply with regulations as stated in the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the <u>Financial Supervisory Commission, Executive Yuan</u>.</p> <p>7. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	<p>Chairman has not indicated a representative, the directors may nominate a director to take his or her place.</p> <p>Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors.</p> <p>5. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act.</p> <p>6. The total number of shares of the Company held by the entirety of the Board of Directors must comply with regulations as stated in the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the <u>Securities and Exchange Commission</u>.</p> <p>7. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	<p>Revised name of the competent authority</p>
<p>Article 8: Supervisor</p> <p>1. The Supervisors of the Company consists of three individuals, elected by shareholders possessing the capacity to do so. Each term of office is three years, and Supervisors may be reelected.</p> <p>2. Supervisors conduct independent supervision in accordance to the law, and must attend the board of directors meeting as a nonvoting delegate.</p> <p>3. Supervisors may not concurrently hold the position of director, manager, or other position at the company.</p> <p>4. The total number of shares of the Company held by the entirety of the Supervisors must comply with regulations as stated in the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the <u>Financial Supervisory Commission, Executive Yuan</u>.</p> <p>5. The remuneration to all Supervisors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	<p>Article 8: Supervisor</p> <p>1. The Supervisors of the Company consists of three individuals, elected by shareholders possessing the capacity to do so. Each term of office is three years, and Supervisors may be reelected.</p> <p>2. Supervisors conduct independent supervision in accordance to the law, and must attend the board of directors meeting as a nonvoting delegate.</p> <p>3. Supervisors may not concurrently hold the position of director, manager, or other position at the company.</p> <p>4. The total number of shares of the Company held by the entirety of the Supervisors must comply with regulations as stated in the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the <u>Securities and Exchange Commission</u>.</p> <p>5. The remuneration to all Supervisors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.</p>	<p>Revised name of the competent authority</p>
<p>Article 14:</p> <p>This Memorandum of Association was created on 6 January 1965.</p> <p>The 1st Amendment was made on 31 March 1966</p> <p>The 2nd Amendment was made on 10 September 1966</p> <p>The 3rd Amendment was made on 25 May 1967</p> <p>The 4th Amendment was made on 30 September 1968</p> <p>The 5th Amendment was made on 1 August 1977</p>	<p>Article 14:</p> <p>This Memorandum of Association was created on 6 January 1965.</p> <p>The 1st Amendment was made on 31 March 1966</p> <p>The 2nd Amendment was made on 10 September 1966</p> <p>The 3rd Amendment was made on 25 May 1967</p> <p>The 4th Amendment was made on 30 September 1968</p> <p>The 5th Amendment was made on 1 August 1977</p>	

Clause after amendment	Clause before amendment	Reason for amendment
<p>The 6th Amendment was made on 12 December 1977</p> <p>The 7th Amendment was made on 31 January 1978</p> <p>The 8th Amendment was made on 19 March 1979</p> <p>The 9th Amendment was made on 5 May 1981</p> <p>The 10th Amendment was made on 7 December 1982</p> <p>The 11th Amendment was made on 29 December 1983</p> <p>The 12th Amendment was made on 14 December 1984</p> <p>The 13th Amendment was made on 16 January 1986</p> <p>The 14th Amendment was made on 16 August 1986</p> <p>The 15th Amendment was made on 19 December 1987</p> <p>The 16th Amendment was made on 17 May 1988</p> <p>The 17th Amendment was made on 30 December 1988</p> <p>The 18th Amendment was made on 23 May 1989</p> <p>The 19th Amendment was made on 18 May 1990</p> <p>The 20th Amendment was made on 21 May 1991</p> <p>The 21st Amendment was made on 1 May 1992</p> <p>The 22nd Amendment was made on 27 August 1992</p> <p>The 23rd Amendment was made on 15 June 1993</p> <p>The 24th Amendment was made on 10 August 1993</p> <p>The 25th Amendment was made on 2 September 1994</p> <p>The 26th Amendment was made on 6 May 1995</p> <p>The 27th Amendment was made on 13 May 1996</p> <p>The 28th Amendment was made on 13 May 1998</p> <p>The 29th Amendment was made on 24 May 2000</p> <p>The 30th Amendment was made on 29 June 2002</p> <p>The 31st Amendment was made on 26 June 2003</p> <p>The 32nd Amendment was made on 23 June 2006</p> <p>The 33rd Amendment was made on 27 June 2007</p> <p>The 34th Amendment was made on 18 June 2010</p> <p><u>The 35th Amendment was made on 27 June 2012</u></p>	<p>The 6th Amendment was made on 12 December 1977</p> <p>The 7th Amendment was made on 31 January 1978</p> <p>The 8th Amendment was made on 19 March 1979</p> <p>The 9th Amendment was made on 5 May 1981</p> <p>The 10th Amendment was made on 7 December 1982</p> <p>The 11th Amendment was made on 29 December 1983</p> <p>The 12th Amendment was made on 14 December 1984</p> <p>The 13th Amendment was made on 16 January 1986</p> <p>The 14th Amendment was made on 16 August 1986</p> <p>The 15th Amendment was made on 19 December 1987</p> <p>The 16th Amendment was made on 17 May 1988</p> <p>The 17th Amendment was made on 30 December 1988</p> <p>The 18th Amendment was made on 23 May 1989</p> <p>The 19th Amendment was made on 18 May 1990</p> <p>The 20th Amendment was made on 21 May 1991</p> <p>The 21st Amendment was made on 1 May 1992</p> <p>The 22nd Amendment was made on 27 August 1992</p> <p>The 23rd Amendment was made on 15 June 1993</p> <p>The 24th Amendment was made on 10 August 1993</p> <p>The 25th Amendment was made on 2 September 1994</p> <p>The 26th Amendment was made on 6 May 1995</p> <p>The 27th Amendment was made on 13 May 1996</p> <p>The 28th Amendment was made on 13 May 1998</p> <p>The 29th Amendment was made on 24 May 2000</p> <p>The 30th Amendment was made on 29 June 2002</p> <p>The 31st Amendment was made on 26 June 2003</p> <p>The 32nd Amendment was made on 23 June 2006</p> <p>The 33rd Amendment was made on 27 June 2007</p> <p>The 34th Amendment was made on 18 June 2010</p>	<p>The date of amendment was revised.</p>

Comparative Table: Amendments to General Shareholders Meeting Rules

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 4: Shareholders wishing for a proxy to attend the shareholders meeting must produce the Company's proxy form and specify the scope of delegated authority. One shareholder is limited to one proxy application and one proxy. Forms must be delivered to the Company five days prior to the shareholders meeting. In the case of duplicate forms, the form first received will be accepted. The cancellation of a previous proxy is not subject to these constraints.</p> <p>After the proxy form is delivered to the Company, and the shareholder desires to personally attend the shareholders meeting, <u>or vote in written or electronic form</u>, a written notification of the cancellation of a proxy must be delivered to the Company <u>no later than two days before the shareholders meeting</u>. For those wishing to cancel who exceed the time limit, the proxy will attend and voting rights.</p>	<p>Article 4: Shareholders wishing for a proxy to attend the shareholders meeting must produce the Company's proxy form and specify the scope of delegated authority. One shareholder is limited to one proxy application and one proxy. Forms must be delivered to the Company five days prior to the shareholders meeting. In the case of duplicate forms, the form first received will be accepted. The cancellation of a previous proxy is not subject to these constraints.</p> <p>After the proxy form is delivered to the Company, and the shareholder desires to personally attend the shareholders meeting, a written notification of the cancellation of a proxy must be delivered to the Company <u>no later than one days before the shareholders meeting</u>. For those wishing to cancel who exceed the time limit, the proxy will attend and voting rights.</p>	<p>Item 3 of this article was revised in order to conform with the regulation of Item 4 Article 177 of the Company Act "After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail."</p>
<p>Article 13: Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Article 179-2 of the Company Act where no voting rights are granted.</p> <p>When the shareholder meeting is convened, voting rights can be exercised in writing or through electronic methods. Instructions for exercising voting rights in writing or through electronic methods must be clearly stated in the notification to shareholders of the convening of the shareholders meeting. Shareholders who have voted in writing or through electronic methods are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.</p> <p>The intention to use written and electronic votes</p>	<p>Article 13: Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Article 179-2 of the Company Act where no voting rights are granted.</p> <p>When the shareholder meeting is convened, voting rights can be exercised in writing or through electronic methods. Instructions for exercising voting rights in writing or through electronic methods must be clearly stated in the notification to shareholders of the convening of the shareholders meeting. Shareholders who have voted in writing or through electronic methods are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.</p> <p>The intention to use written and electronic votes</p>	<p>According to the regulation of Article 177-2 of the Company Act, "If a shareholder exercises his/her/its voting power in writing or by way of electronic emission, the shareholder's declaration of wishes must be delivered two days before the shareholders meeting, at the latest. For those shareholders wishing to attend the shareholders meeting in person, they must rescind their declaration of wishes using the same methods for transmission originally</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>mentioned above must be delivered to the Company at <u>least two days before the shareholders meeting</u>. If there are duplicate submissions, the earlier submission takes precedence. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.</p> <p>If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote <u>at least two days before the shareholders meeting</u>. If the request is submitted after the deadline, the original exercise of voting rights by written or electronic vote will be counted. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall take precedence. Votes on motions, unless otherwise specified by the Company Act or the Company's Memorandum of Association, shall be passed with the approval of over half of the attending shareholders voting rights. At the time of voting, the total number of shareholders voting rights should be announced by the chairman or appointed personnel.</p> <p>If the chairman consults the entirety of attending shareholders without objection regarding a motion, it is considered passed. Its efficacy is the same as deciding by vote. If there are objections, the motion must be voted on by the methods described above. If there are several amendments or alternate solutions to a motion, the meeting chairman will determine the voting sequence. If any of the motions are passed, all other motions are deemed rejected and no further voting is necessary.</p> <p>The meeting chairman will appoint a ballot examiner and ballot counter for voting on motions. However, the ballot examiner must be a shareholder. Ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.</p>	<p>mentioned above must be delivered to the Company at <u>least five days before the shareholders meeting</u>. If there are duplicate submissions, the earlier submission takes precedence. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.</p> <p>If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote <u>at least one days before the shareholders meeting</u>. If the request is submitted after the deadline, the original exercise of voting rights by written or electronic vote will be counted. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall take precedence. Votes on motions, unless otherwise specified by the Company Act or the Company's Memorandum of Association, shall be passed with the approval of over half of the attending shareholders voting rights. At the time of voting, the total number of shareholders voting rights should be announced by the chairman or appointed personnel.</p> <p>If the chairman consults the entirety of attending shareholders without objection regarding a motion, it is considered passed. Its efficacy is the same as deciding by vote. If there are objections, the motion must be voted on by the methods described above. If there are several amendments or alternate solutions to a motion, the meeting chairman will determine the voting sequence. If any of the motions are passed, all other motions are deemed rejected and no further voting is necessary.</p> <p>The meeting chairman will appoint a ballot examiner and ballot counter for voting on motions. However, the ballot examiner must be a shareholder. Ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.</p>	<p>used, two days before the shareholders meeting at the latest."</p>

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 15: The resolutions passed at the shareholders meeting must be compiled into minutes, signed or stamped by the meeting chairman. The minutes must be delivered to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be done by electronic methods.</p> <p><u>The Company</u> for distribution of the meeting minutes must be entered as an announcement into a Market Observation Post System. The minutes must detail the year, month, day, and location of the meeting, the chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained for as long as the company continues to exist. Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If objections were raised by shareholders, then the resolution must be noted as having passed by way of voting, with details on the number of passing votes.</p>	<p>Article 15: The resolutions passed at the shareholders meeting must be compiled into minutes, signed or stamped by the meeting chairman. The minutes must be delivered to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be done by electronic methods.</p> <p><u>The Company for registered shareholders possessing less than 1000 shares</u> distribution of the meeting minutes must be entered as an announcement into a Market Observation Post System. The minutes must detail the year, month, day, and location of the meeting, the chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained for as long as the company continues to exist. Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If objections were raised by shareholders, then the resolution must be noted as having passed by way of voting, with details on the number of passing votes.</p>	<p>The second item of this article was revised in order to conform with Item 3 Article 183 of the Company Act, "Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.</p> <p>The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.</p> <p>With regard to a company offering its shares to the public, the distribution of the minutes of shareholders' meeting as required in Paragraph One of this Article may be effected by means of a public notice."</p>
<p>Article 20:</p> <p>These rules were created on 21 May 1991</p> <p>The 1st amendment was made on 13 May 1998</p> <p>The 2nd amendment was made on 29 June 2002</p> <p>The 3rd amendment was made on 23 June 2006</p> <p>The 4th amendment was made on 24 June 2011</p> <p><u>The 5th amendment was made on 27 June 2012</u></p>	<p>Article 20:</p> <p>These rules were created on 21 May 1991</p> <p>The 1st amendment was made on 13 May 1998</p> <p>The 2nd amendment was made on 29 June 2002</p> <p>The 3rd amendment was made on 23 June 2006</p> <p>The 4th amendment was made on 24 June 2011</p>	<p>The date of amendment was revised.</p>

Comparative Table: Amendments to Procedures for the Election of Directors and Supervisors

Clause after amendment	Clause before amendment	Reason for amendment
<p>Article 3: The Company's election of Directors and Supervisors shall use a registered ballot system. Registration for the election is uses the shareholder's account number. <u>The cumulative voting system is used to fully reflect the opinions of the shareholders.</u></p> <p>Article 4: The Company's election of Directors and Supervisors counts one share as representing a number of voting rights equal to the number of Directors (Supervisors) being elected. The Board of Directors shall prepare and distribute ballots equal to the number of Directors (Supervisors) being elected to each shareholder. The ballots may be pledged towards a single candidate or be distributed to multiple candidates.</p>	<p>Article 3: The Company's election of Directors and Supervisors shall use a registered ballot system. Registration for the election is uses the shareholder's account number.</p> <p>Article 4: The Company's election of Directors and Supervisors counts one share as representing a number of voting rights equal to the number of Directors (Supervisors) being elected. The Board of Directors shall prepare and distribute ballots equal to the number of Directors (Supervisors) being elected to each shareholder. The ballots may be pledged towards a single candidate or be distributed to multiple candidates.</p>	<p>In accordance with Article 198 Item 1 of the Company Act, "In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect", a second item was added to this article.</p> <p>The original description in Article 4 conformed with Article 198 Item 1 of the Company Act, but in order to convey the idea in a clearer manner, the text "The cumulative voting system is used to fully reflect the opinions of the shareholders" was added to Item 2 Article 3.</p>
<p>Article 14: These procedures were created on 21 May 1996. The 1st amendment was made on 29 June 2002 <u>The 2nd amendment was made on 27 June 2012</u></p>	<p>Article 14: These procedures were created on 21 May 1996. The 1st amendment was made on 29 June 2002</p>	<p>The date of amendment was revised.</p>

Scope of Release the Non-Compete Clause for Directors

Objective: Release the non-compete restriction for the corporate Director Blue Moon

Investment Company's representative, Mr. Fu-Tian Huang.

Scope of Release the Non-Compete:

Director representative – SHIH LIN PAPER CORPORATION.

WAN HAI LINES LTD. Memorandum of Association

Article 1: The Company is incorporated according to the Company Act, and is named
Wan Hai Lines Ltd.

Article 2: The Company's scope of operation is as listed:

1. Marine Transportation
2. Shipping Agency
3. Purchasing and selling of vessels and containers
4. Container freight station business
5. Leasing of vessels and containers

Article 2-1: The Corporation may make guarantees in the same trade with respect to the
business referred to in the preceding paragraph.

Article 2-2: The Company must receive approval from the board of directors to invest in
other undertakings. Additionally, the sum total of other investments, in
accordance with Article 13 of the Company Act, may not exceed 40% of paid-in
capital.

Article 3: The Company is headquartered in Taipei City, and is permitted to establish
branch offices or shipping agencies.

Article 4: Public announcements by the Company are published in a conspicuous place on
a daily newspaper circulated in the municipality or county (city) where in the
Company is located.

Article 5: The Company's authorized capital is NTD 25 billion, separated into 2.5 billion
shares, which can be raised in multiple issues at NTD 10 per share.

Article 5-1: The Company's Stock should be numbered, with the signature or authorized
seal of three or more directors, subject to validation by the competent authority or
any of its approved institutes. The Company is exempt from printing certificates
for its issued shares. Shares should be registered with the governing centralized

securities depository organization.

Article 5-2: Shareholders shall report their true names, residences, specimen seal and unified number to the Company to be filed for reference, as well as any changes made. All dividends or bonuses received from shares will use the seal as evidence. In the event of transfer of the company stock, establishment of pledge of rights, loss report, inheritance, donation and loss or modification of seal or address, or other share-related matters, apart from cases where there are other securities regulations, will all be handled according to "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 6: Shareholders Meeting

1. The shareholders meeting is composed of all of the shareholders, and are separated into general shareholders meetings and extraordinary shareholders meetings. General shareholders meetings are held once a year, within six months of the end of the fiscal year, and are held in accordance to law by the board of directors.
2. The general shareholders meeting is chaired by the chairman of the board of directors. If for some reason the chairman of the board is unable to attend, the vice chairman takes his or her place.
3. At the time of the shareholders meeting, apart from when otherwise regulated by the Company Act, when over half of issued shares are represented, a motion may be passed with over half of the present shareholders' votes.
4. When a shareholder is unable to attend the shareholders meeting, a proxy may be appointed, specifying the scope of delegated authority. In the event that one proxy represents two or more shareholders, his or her representative voting right may not surpass 3% of the total of shares distributed, shares in excess of 3% may not be counted.
5. Each share of the Company held by a shareholder counts as one vote.

Article 7: The Board of Directors

1. The Company's Board of Directors consists of 7 individuals, elected by shareholders possessing the capacity to do so. The term of office is three years, and directors may be reelected to serve another term.

2. With two-thirds or more of the directors present, one chairman of the board, and one vice chairman of the board may be elected by consent of over half of the present directors.
3. Article 208 of the Company Act shall apply when the directors' meeting is suspended.
4. The Board of Directors meets once every three months, and extraordinary sessions may be convened when necessary. The Chairman of the Board serves as Chairman of the meeting. If the Chairman has asked for leave, or is unable to exercise his responsibilities due to other circumstances, the vice Chairman acts on the Chairman's behalf. In the case of the vice also asking for leave or being unable to exercise his responsibilities due to other circumstances, the Chairman of the Board may appoint a director to act on his or her behalf. If the Chairman has not indicated a representative, the directors may nominate a director to take his or her place.

Unless otherwise provided for in the Company Act and these Articles, resolutions at a directors' meeting shall be adopted at the meeting attended by a majority of the Directors and upon a majority votes of the present directors.

5. In the event that a director is unable to attend the Board of Directors meeting, a proxy may be appointed to attend, in compliance with Article 205 of the Company Act.
6. The total number of shares of the Company held by the entirety of the Board of Directors must comply with regulations as stated in the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Financial Supervisory Commission, Executive Yuan.
7. The remuneration to all members of the Board of Directors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.

Article 8: Supervisor

1. The Supervisors of the Company consists of three individuals, elected by shareholders possessing the capacity to do so. Each term of office is three years, and Supervisors may be reelected.
2. Supervisors conduct independent supervision in accordance to the law, and

must attend the board of directors meeting as a nonvoting delegate.

3. Supervisors may not concurrently hold the position of director, manager, or other position at the company.
4. The total number of shares of the Company held by the entirety of the Supervisors must comply with regulations as stated in the “ Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the Financial Supervisory Commission, Executive Yuan.
5. The remuneration to all Supervisors is based on the value of their participation and contributions to the operation of the Company, bearing in mind amount of remuneration in industry peers.

Article 9: Manager

1. The Company has one president, legally appointed by the Board of Directors upon nomination of the Chairman of the Board.

Article 10: The Company's final accounting period is at the end of December each year, the board of directors must prepare the items listed below, which are given to the Supervisors for examination. Figures are then given to shareholders general meeting for acknowledgement, the shareholders general meeting must be held by the board of directors within six months of the end of the fiscal year.

1. Business Report
2. Financial Statements
3. Earnings distribution or loss reimbursement proposal

Article 11: The industry in which the Company operates in changes, and is capital-intensive. In times of stable growth, The Company considers future capital needs, and long-term financial plans, as well as satisfying the shareholders' needs pertaining to cash inflows. A surplus after the Company's final accounting is first subject to payment of the business income tax in accordance with law, and reimbursing losses made in previous years as well as 10% of the remainder to be provided for legal earnings reserve. The Company must also take into account events during the current years' shareholders' equity, and any special earnings reserves that are required by regulations. 50% or more of the remaining balance, plus any undistributed earnings carried from previous years,

shall be distributed. The Board of Directors is responsible for planning the earnings appropriation, and may be distributed after adoption by the shareholders meeting. Appropriation must include:

1. Employees' bonuses, totaling 1%
2. Directors' and Supervisors' remuneration, totaling 1%
3. Cash dividends to shareholders totaling 98%

The proportion of stock dividends or cash dividends distributed must be done in accordance with the current years' actual profit, capital position, and plans for increasing capital. The proportion of cash dividends may not be below 10% of total dividends. In the event of having previous years' accumulated earnings, or the current years' earnings, but be unable to provide for the current years' shareholders' equity, the accumulated earnings from the previous year should be used to provide for an identical special earnings reserve, which must first be deducted before being apportioned.

Article 12: The Board of Directors is authorized to determine the Company's organizational rules.

Article 13: Any matters that are not addressed in the Memorandum of Association shall be governed by the Company Act.

Article 14: This Memorandum of Association was created on 6 January 1965.

The 1st Amendment was made on 31 March 1966

The 2nd Amendment was made on 10 September 1966

The 3rd Amendment was made on 25 May 1967

The 4th Amendment was made on 30 September 1968

The 5th Amendment was made on 1 August 1977

The 6th Amendment was made on 12 December 1977

The 7th Amendment was made on 31 January 1978

The 8th Amendment was made on 19 March 1979

The 9th Amendment was made on 5 May 1981

The 10th Amendment was made on 7 December 1982

The 11th Amendment was made on 29 December 1983

The 12th Amendment was made on 14 December 1984

The 13th Amendment was made on 16 January 1986

The 14th Amendment was made on 16 August 1986
The 15th Amendment was made on 19 December 1987
The 16th Amendment was made on 17 May 1988
The 17th Amendment was made on 30 December 1988
The 18th Amendment was made on 23 May 1989
The 19th Amendment was made on 18 May 1990
The 20th Amendment was made on 21 May 1991
The 21st Amendment was made on 1 May 1992
The 22nd Amendment was made on 27 August 1992
The 23rd Amendment was made on 15 June 1993
The 24th Amendment was made on 10 August 1993
The 25th Amendment was made on 2 September 1994
The 26th Amendment was made on 6 May 1995
The 27th Amendment was made on 13 May 1996
The 28th Amendment was made on 13 May 1998
The 29th Amendment was made on 24 May 2000
The 30th Amendment was made on 29 June 2002
The 31st Amendment was made on 26 June 2003
The 32nd Amendment was made on 23 June 2006
The 33rd Amendment was made on 27 June 2007
The 34th Amendment was made on 18 June 2010
The 35th Amendment was made on 27 June 2012

WAN HAI LINES LTD. General Shareholders Meeting Rules

Article 1: In order to create an excellent system of governance for the shareholders meeting, complete supervisory functions, and strengthened management functions, these regulations have been created as a way of complying with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Unless otherwise specified by law, the Company's shareholders meetings rules of procedure must proceed according to this policy.

Article 3: An Agenda shall be provided for the shareholders meeting, and notification sent to each shareholder 30 days prior to the shareholders meeting. Notification of the shareholders meeting for shareholders holding less than 1000 shares is permitted to be done by public announcement 30 days prior to the shareholders meeting. Both notification and public announcement should be clearly recorded as pertaining to the convening of the shareholders meeting. Electronic notification may be allowed after the consent of the shareholder.

Selection or resignation of directors, supervisors, changes to Memorandum of Association, corporate liquidation, mergers, divestments, or any items contained in Article 185 Item 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed, and not brought up by extraordinary motion.

Shareholders holding 1% or more of distributed shares must submit proposals in writing to the Company. Proposals by shareholders are limited to one item, any items exceeding this amount will not be made into a motion. Additionally, if any proposals made by shareholders are amongst any of the situations listed in Article 172-1 Item 4 of the Company Act, the Board of Directors is required to not list it as a motion.

The Company should, prior to convening the shareholders meeting, halt the transfer of shares to the shareholder proposing the motion, and notify the shareholder of the location, and time period of acceptance. The period of acceptance should not be under 10 days.

A motion proposed by a shareholder should not exceed 300 words. Proposals exceeding 300 words will not be entered into a motion. The proposing shareholder or a proxy should be attendance at the shareholders general meeting, and participate in discussion of the motion.

The Company should notify the results of the proposed motion to the proposing shareholder before the announcement of the shareholders meeting, and the proposed motion should be included in the shareholders meeting notification. With regards to proposals not entered into motions, the Board of Directors should give explanation of the reason for the proposal not entering into a motion at the shareholders meeting.

Article 4: Shareholders wishing for a proxy to attend the shareholders meeting must produce the Company's proxy form and specify the scope of delegated authority. One shareholder is limited to one proxy application and one proxy. Forms must be delivered to the Company five days prior to the shareholders meeting. In the case of duplicate forms, the form first received will be accepted. The cancellation of a previous proxy is not subject to these constraints.

After the proxy form is delivered to the Company, and the shareholder desires to personally attend the shareholders meeting, or vote in written or electronic form, a written notification of the cancellation of a proxy must be delivered to the Company no later than two days before the shareholders meeting. For those wishing to cancel who exceed the time limit, the proxy will attend and voting rights.

Article 5: The location of the shareholders meeting should be in a place where the Company is located, or a location that is suitable and convenient for shareholders. The meeting must not commence anytime earlier than 9a.m. or later than 3p.m..

Article 6: The company will provide an attendance log to record the shareholders or proxies of shareholders (hereafter referred to as shareholders) attendance; alternatively, attending shareholders may present their attendance cards to signify their presence. The company will provide the Agenda, Annual Report, Attendance Record, Statement Cards, Voting Cards, and other meeting-related information to the attending shareholders. For elections of directors and supervisors, ballots

will be distributed as well.

Shareholders should attend the shareholders meeting possessing an Attendance Certificate, Attendance Cards, or other proof of attendance; those acting as proxies should bring their identification cards for confirmation. Governments or corporations acting as shareholders are not limited to one attending person. Corporations acting as proxies attending the meeting must designate one representative for attendance.

Article 7: Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform his or her duties due to leave of absence or other reason, the Vice Chairman acts on his behalf. If there is no Vice Chairman or the Vice Chairman is unable to perform his or her duties due to leave of absence or other reason, the Chairman may appoint a director to act on his behalf. If no one is appointed, the remaining directors may choose a director to perform the Chairman's duties.

For shareholders meetings called by the Board of Directors, the number of participating directors who attend must exceed one half.

If the shareholder meeting is convened by someone other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one amongst themselves to chair the meeting. The Company may summon its lawyers, certified public accountants, and any relevant personnel to the shareholders meeting.

Article 8: The Company's shareholders meetings must be recorded in video or audio, and kept for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the audio or video recordings must be retained until the end of litigation.

Article 9: Attendance of shareholders meeting should be calculated on the basis of number of shares. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.

The chairman should announce the commencement of the meeting as soon as it is due. However, if the number of shares held by those in attendance number less than 50% of all outstanding shares, the chairman may postpone the meeting up to two times, the total time of postponement may not exceed one hour. If the number of outstanding shares represented does not exceed one third after the second postponement, the chairman must announce the lack of quorum.

If, after two postponements, the number of shares represented still does not exceed 50%, but exceeds one-third of all outstanding shares, the Company may proceed according to item 1 of Article 175 of the Company Act to reach a temporary resolution with the approval of more than half of voting rights represented during the meeting. The temporary resolution must be communicated to shareholders, and a new shareholders meeting must be convened within a month. If the number of shares represented during the meeting reaches a total of over half of all outstanding shares, the chairman may re-propose the temporary resolutions for final voting according to Article 174 of the Company Act.

Article 10: If the shareholders' meeting is convened by the Board of Directors, than the agenda will be set by the Board of Directors. The meeting shall proceed according to the agenda, and may not be modified without a resolution from the shareholders meeting.

The aforementioned rules also apply to meetings convened by other authorized parties. The meeting chairman cannot dismiss the meeting while an agenda (including special motions) is still in progress without an official resolution. If the chairman violates meeting rules and dismiss the meeting, the other directors must quickly attend to the shareholders according to legal procedures. With the approval of more than half of voting rights represented during the meeting another person may be chosen as chairman, and the meeting may proceed.

The chairman must give ample opportunities for the explanation and discussion of proposals, and corrections or special motions raised by shareholders. When the meeting chairman believes a resolution can be reached, he or she may announce the end of discussion, and proceed with voting.

Article 11: Shareholders wishing to speak during the meeting must first produce a Speak Request Form, detailing the topic of speaking, and the shareholder's name and account number. The order of the shareholders' comments will be determined by the chairman. Shareholders who submit Speak Request Forms without speaking are considered to have remained silent. If the shareholders spoken comments differ from the comments recorded on the Speak Request Form, the spoken comments take precedence.

Shareholders cannot speak more than two times, for more than five minutes each, on the same proposal without consent from the chairman. The meeting chairman may stop shareholders in violation of these rules, or shareholders whose comments are irrelevant to the proposal.

While a shareholder is speaking, other shareholders may not speak to disrupt the speaker without the consent of the meeting chairman and the speaker. The meeting chairman shall restrain any violators. For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda. When a shareholder is finished speaking, the chairman must reply, either personally or by assigned relevant personnel.

Article 12: Voting in the shareholders meeting is determined on the basis of shares.

Non-voting shareholders are not counted in the total number of issued shares for resolutions at the shareholders meeting.

Shareholders cannot vote, or appoint proxies to vote, on any agendas that present conflicting interests, if doing so may compromise the Company's interests.

The number of shares that are subject to voting restrictions are not counted in the attending shareholders' number of voting rights.

Apart from trust organizations or shareholders service organizations approved by the competent authority, a person serving as proxy for two or more people may not have voting right in excess of 3% of the voting rights of issued shares. Voting rights that do exceed 3% will not be counted.

Article 13: Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in item 2 of Article 179 of the

Company Act where no voting rights are granted.

When the shareholder meeting is convened, voting rights can be exercised in writing or through electronic methods. Instructions for exercising voting rights in writing or through electronic methods must be clearly stated in the notification to shareholders of the convening of the shareholders meeting. Shareholders who have voted in writing or through electronic methods are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.

The intention to use written and electronic votes mentioned above must be delivered to the Company at least two days before the shareholders meeting. If there are duplicate submissions, the earlier submission takes precedence. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.

If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote at least two days before the shareholders meeting. If the request is submitted after the deadline, the original exercise of voting rights by written or electronic vote will be counted. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall take precedence. Votes on motions, unless otherwise specified by the Company Act or the Company's Memorandum of Association, shall be passed with the approval of over half of the attending shareholders voting rights. At the time of voting, the total number of shareholders voting rights should be announced by the chairman or appointed personnel.

If the chairman consults the entirety of attending shareholders without objection regarding a motion, it is considered passed. Its efficacy is the same as deciding by vote. If there are objections, the motion must be voted on by the methods described above. If there are several amendments or alternate solutions to a motion, the meeting chairman will determine the voting sequence. If any of the motions are passed, all other motions are deemed rejected and no further voting is necessary.

The meeting chairman will appoint a ballot examiner and ballot counter for voting on motions. However, the ballot examiner must be a shareholder. Ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.

Article 14: The election of directors and supervisors must be conducted in accordance to the Company's relevant election procedures. The results of the election shall be announced at the shareholders meeting. The previous item's election ballot must signed and sealed by the ballot inspector and preserved for at least a year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the ballots must be retained until the end of litigation.

Article 15: The resolutions passed at the shareholders meeting must be compiled into minutes, signed or stamped by the meeting chairman. The minutes must be delivered to all shareholders within 20 days of the meeting. The preparation and distribution of meeting minutes may be done by electronic methods.

The Company for distribution of the meeting minutes must be entered as an announcement into a Market Observation Post System. The minutes must detail the year, month, day, and location of the meeting, the chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained for as long as the company continues to exist. Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If objections were raised by shareholders, then the resolution must be noted as having passed by way of voting, with details on the number of passing votes.

Article 16: The amount of shares solicited by solicitors and represented by proxies should be noted in chart form on the day of the shareholders meeting, and shown prominently at the venue of the shareholders meeting.

If resolutions of the shareholders meeting fall are regarded as important news pertaining to laws and regulations or regulations of the Taiwan Stock Exchange, the Company must report the content of the resolution on the Market Observation Post

System within the designated time period.

Article 17: Staff running the shareholders meeting should wear I.D. badges or armbands.

The chairman may instruct picket members (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all picket members (or security staff) must wear arm badges or I.D. badges which identify their roles as a "picket member".

For meetings equipped with sound amplifying devices, shareholders not using sound amplifying devices prepared by the Company while speaking must be stopped by the chairman. The Chairman may call upon picket members or security staff to escort shareholders from the premises who are violating rules of procedure and not adhering to the chairman's corrections, or are hampering the proceedings of the meetings who refuse to be stopped.

Article 18: The chairman may call the meeting into recess at a suitable time. In the occurrence of any force majeure events, the meeting chairman may suspend the meeting and announce the time of continuation of the meeting after examining the situation.

If the agenda arranged by the Board of Directors (including special motions) has not reached its conclusion, and the location of the shareholder meeting cannot be used for any longer, it is up to the Board of Directors to find another suitable place for the meeting. According to regulations of Article 182 of the Company Act, the Board of Directors may postpone a meeting for not more than five days, or to reconvene the meeting within five days.

Article 19: These rules shall become effective once resolved during the shareholders meeting; the same applies to all subsequent revisions.

Article 20: These rules were created on 21 May 1991

The 1st amendment was made on 13 May 1998

The 2nd amendment was made on 29 June 2002

The 3rd amendment was made on 23 June 2006

The 4th amendment was made on 24 June 2011

The 5th amendment was made on 27 June 2012

Regulations for Acquisition and Disposal of Assets by WAN HAI LINES LTD. And Its Subsidiaries

Article 1: Matters regarding the acquisition or disposal of assets that are not regulated by the "Rules for Property Procurement and Sale of Scrapped Equipment" issued by the Company, shall all be regulated by these regulations.

Article 2: The scope of the assets mentioned in these regulations is listed as follows:

1. Investments in 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 inventories of construction enterprises) and other fixed assets.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
7. Other major assets.

Article 3: The process for handling the procurement or disposal of assets as listed in Article 2 is as follows:

1. The acquisition or disposal of all real estate assets used for business operations should be handled according to the Company's "Rules for Property Procurement and Sale of Scrapped Equipment."
2. The purchase and sale of any negotiable securities may only be executed by the chief financial officer after approval by the president, upper management, or authorized representative, of a report detailing capital allocation and market prices.
3. Fixed Quota:
The sum of non business operation related procurement of immovable property by the Company shall not exceed 120% their respective shareholder equity.
The sum of investments by the Company or its subsidiaries containing

negotiable securities shall not exceed 100% of their respective shareholder equity.

The sum of investments by the Company or its subsidiaries in individual securities shall not exceed 50% of their respective shareholder equity, however those cases gaining approval by the Board of Directors are not restricted.

Article 4: The Criteria for Announcement of the Acquisition or Disposal of Assets is as follows:

1. When the acquisition or disposal of assets by the Company falls under the following circumstances, a public declaration should be filed on the website appointed by the Financial Supervisory Commission, Executive Yuan within two days of the occurrence of the event, according to the prescribed format:

- (1) Intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and 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.
- (2) Conducting mergers, spin-offs, purchases, or assignation of shares
- (3) When losses from engagement in derivative product transactions reaches the full limit as set by the regulating process or individual contracts.

In addition to the three asset transactions listed above, disposition of claims by financial institutions, or engagement in investment in Mainland China, those transactions reaching 20% of the Company's paid-in capital or NTD 300,000,000. However, the following circumstances do not fall under these restrictions:

- (A) Trading of government bonds.
- (B) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.
- (C) Trading of bonds under repurchase/resale agreements.
- (D) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
- (E) 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 the amount the company expects to invest in the transaction is less than NT\$500 million.

The amount of transactions above shall be calculated as follows:

- (a) The amount of any individual transaction.
- (b) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (c) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
- (d) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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 10th day of each month.

When the company 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.

The company 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 headquarters, where they shall be retained for 5 years except where another act provides otherwise.

2. For the domestic or foreign subsidiaries of the Company which are considered non-public companies, announcements and reports required for their acquisition or disposal of assets should be handled according to the guidelines stipulated

by these regulations.

In the announcements and reports of the subsidiaries, the portions stating "composes 20% of the Company's paid-in capital" or "fixed at 10% of total assets," the paid-in capital or total assets should be that of the parent company. Those referred to as "subsidiaries" are those domestic or foreign companies where the Company has direct or indirect control:

- (1) The Company directly possesses more than 50% of issued voting shares of a company it has invested in.
- (2) The Company through its subsidiary indirectly controls more than 50% of issued voting shares of each company it has invested in, and so on.
- (3) The Company directly or through its subsidiary indirectly controls more than 50% of voting shares of each company it has invested in, and so on.

Article 5: For all assets conforming to the standards outlined in Article 4 of these procedures, the acquisition or disposal of said assets should be handled according to these procedures.

1. For the acquisition or disposal of real estate or other fixed assets, apart from transactions with governmental organizations, construction on owned land, engaging others to build on rented land, cooperatively built with separate structure, cooperatively built with divided structure, cooperatively built and sold separately, or the disposal of machinery and equipment for business operation, an appraisal report by a professional appraisal institution must be obtained before the day of transaction. Additionally, it must conform to the following regulations:
 - (1) The range of the appraised value should use the regular price as reference. In the case of fixed prices, specific prices, or special prices, it must be indicated whether or not it conforms with the rules in Article 10 and 11 of the Land Appraisal Technical Specifications. If for a particular reason fixed prices, specific prices, or special prices must be used as the basis for consideration, that transaction should be first presented to the Board of Directors for approval, and also reported to the Company's supervisors and referred to in the next shareholders meeting report. Conditions which change in future transactions must be submitted to the above procedure with the necessary modifications.
 - (2) If the appraised value of a professional appraisal report is different from the

- sum of the transaction by more than 20%, unless the appraised value of an acquired asset is lower than the sum of the transaction, or the appraised value of an disposed asset is higher than the sum of the transaction, a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided. The so-called difference between an appraisal results and the sum of the transaction uses the sum of the transaction as a benchmark.
- (3) If the sum of a transaction is over NTD 1,000,000,000, two or more professional appraisal reports must be obtained. If the appraised values of two or more professional appraisal reports are different from the sum of the transaction by more than 10%, unless the appraised value of an acquired asset is lower than the sum of the transaction, or the appraised value of an disposed asset is higher than the sum of the transaction, a CPA should carry out an audit according to Article 13 of Auditing Standards, Announcement No. 20. A concrete opinion concerning the reason for difference in price, and an evaluation of the fairness of the transaction sum should be provided.
 - (4) The date of the completion of a professional appraisal report and the date of the establishment of the contract may not exceed three months. However, a second appraisal which does not exceed six months from the time of the announced value, a written report must be submitted using the original professional appraiser.
 - (5) If the appraisal organization submits a "going price report" or "estimated price report" in place of a appraised price report, the recorded content must conform with the above-mentioned regulations concerning the creation of a price appraisal report
 - (6) If the appraisal organization clearly states in its Memorandum of Association or Business Registration Certificate as its business consisting of the appraisal of real estate or other fixed assets, the organization and appraisers should have no relation to the parties involved in the appraised transaction, as is described in the Financial Accounting Standards Announcement No. 6.
2. The Company 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, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company 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 ARDF. 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 (FSC), Executive Yuan.

- (1) Negotiable securities established by promotion or stock flotation that were acquired by cash contributions.
- (2) Negotiable securities in which the subscribing target company performed a cash injection according to relevant laws and were issued according to face value.
- (3) Negotiable securities where the 100% of the subscribing investee companies used a cash injection for issuance.
- (4) Listed, OTC, or emerging negotiable securities which are traded on the stock market or securities exchange.
- (5) Public Bonds, repurchased bonds, or resale bonds
- (6) Domestic or foreign endowments.
- (7) Company stocks acquired or disposed of according to TWSE or GTSM Rules Governing Purchase of Stocks Securities by Reverse Auction or Consignment
- (8) Negotiable securities where the public issuing company use cash injection subscription, and the acquired negotiable securities are not considered private placement.
- (9) Endowments which were purchased before establishment, which were conformed with the regulations established in Item 1, Article 11 of the Securities Investment Trust and Consulting Act, and decree No. 09300005249 made by the Financial Supervisory Commission, Executive Yuan on 1 November 2004.
- (10) Domestic private equity funds that are purchased or bought back. If the trust deed clearly states investment strategy, except for products such as securities credit transactions and those securities which have yet to be written off, the

remainder is the same as the private equity funds investment scope.

3. For those assets acquired or disposed of through the court auction process by public companies, credentials provided by the court must replace the appraisal report, or a notarized CPA opinion.
4. When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and 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, the company 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:
 - (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (2) The reason for choosing the related party as a trading counterparty.
 - (3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms.
 - (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
 - (5) Monthly cash flow forecasts 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.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 4, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the Directors need not be counted toward the transaction amount.. With respect to the acquisition or disposal of business-use machinery and equipment between the company and its parent or subsidiaries, the company's board of directors may delegate the board chairman to decide such matters when

the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

5. If the estimate for the acquisition of real estate between the Company and parties concerned carried out according to relevant regulations is lower than sum of the transaction, the following items must be conducted:
 - (1) The difference between the price of the transaction and the estimated cost must be placed in special reserve, and may not be apportioned or converted to dividends.
 - (2) The supervisor should handle it according to Article 218 of the Company Act.
 - (3) The processing of the above two items should be proposed to the shareholders meeting, and the details of the transaction should be disclosed in the annual report and prospectus.

When the company creates a special reserve, the high-price asset acquired is filed under a loss from decline in market value or disposal or considered appropriate, compensation or restitution, or other evidence that determines no irrationality, the special reserve may employed after approval from the Financial Supervisory Commission, Executive Yuan.

6. When the Company participates in a merger, spin-off, or acquisition, unless regulated by other laws, or prior consent from the Financial Supervisory Commission, Executive Yuan is obtained for a special reason, the Board of Directors and shareholders meeting should be convened on the same day, and the merger, spin-off, or acquisition and related matters must be resolved. Additionally, related material as regulated by Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies should be completed as a complete written record, and saved for 5 years auditing purposes. Basic staff information and dates of important matters must submitted to the Financial Supervisory Commission, Executive Yuan via the Internet information reporting system for reference within two days of approval by the Board of Directors.

Article 6: Contents of public announcement

1. For the purchase or sale of negotiable securities on domestic or foreign stock

exchanges or the GTSM belonging to the parent company, its subsidiaries, or related corporations, the following items should be publicly announced:

- (1) Security name
 - (2) Date of transaction.
 - (3) Transaction amount, price of each unit, and total sum of transaction
 - (4) Profit (or loss) from disposal. (Acquisition of negotiable securities not included)
 - (5) Relation to transaction target company.
 - (6) Accumulated number, sum, shareholding ratio, and restriction of rights of the security traded (included number of transactions), up to the current date.
 - (7) The proportion of invested negotiable securities (including the current transaction) to the company's total assets as listed in the most current financial report, and the proportion of shareholders equity to operating funds as listed in the most current financial report, up to the current date.
 - (8) Specific aim of acquisition or disposal.
2. The public announcement of the purchase and sale of assets, apart from the above listed items, should contain the following items:
- (1) Name and nature of the subject matter. (For those falling under the acquisition or disposal of real estate, the location and lots must also be indicated. For those falling under preferred stock, the conditions for issuance of the preferred stock, such as stock dividend rates, etc., must also be indicated).
 - (2) Date of occurrence.
 - (3) Number of trading units, unit price, and total sum of transaction.
 - (4) Transaction partner and relation to the Company. (If the transaction partner is a natural person and is not substantially related to a company, his or her name does not have to be disclosed).
 - (5) When the transaction partner is a substantial related party, a public announcement giving the reason for selecting the parties concerned for the transaction, as well all of the people involved in the previous transfer, (Including the mutual relationship between the company and its partner), the price of the transfer, and date of acquisition.
 - (6) All authorized persons within the last five years acting as substantial related parties for the transaction target, must make a public announcement of the date of acquisition and disposal, price, and relate to company at time of transaction.

- (7). Estimated profit (or loss) from disposal. (Acquisition of assets not included)
 - (8) Delivery or payment conditions (including date and sum of payment), restrictive clauses in contract, and other important agreed upon matters.
 - (9) Method for decision of transaction (for example bidding, parity, or negotiation), basis for reference of the decided price, and decision unit.
 - (10) Name of professional appraisal institution and the results of its appraisal, or a value per share from the most recent financial report created according to regulations that has undergone a notarized examination by CPA or inspection. If unable to obtain a timely appraisal report, the reason for inability to obtain would should be indicated. If there circumstances that are noted in these regulations number 5 (1)(2), a public announcement must be made detailing reason for difference and a notarized CPA opinion.
 - (11) Accumulated number, sum, shareholding ratio, and restriction of rights of the security traded (included number of transactions), up to the current date. (Those not falling under the purchase and sale of negotiable securities are excluded)
 - (12) The proportion of invested negotiable securities (including the current transaction) to the company's total assets as listed in the most current financial report, and the proportion of shareholders equity to operating funds as listed in the most current financial report, up to the current date. (Those not falling under the purchase and sale of negotiable securities are excluded)
 - (13) If there is a broker, and the broker acts as a substantial party concerned, the managing broker and the brokerage fee to be paid.
 - (14) The specific aim or use of the acquisition or disposal.
3. "The most current financial report," refers to a public financial report prepared according law and notarized and examined by CPA or inspection by the company prior to acquisition or disposal of assets.

Article 7: If a manager or organizer of the company violates the Procedures, an assessment must be carried out according to the personnel administration rules and the employee handbook. The severity of the punishment will be based on the circumstances.

Article 8: The Procedures, as well as subsequent amendments, should be approved by the

Board of Directors firstly and sent to all Supervisors for approval. The amended procedures will be implemented after approval by the shareholders meeting. Subsidiary Companies must also provide "Regulations for Acquisition and Disposal of Assets." After approval by the Board of Directors, it shall be submitted to the shareholders meeting of both parties, as well as subsequent amendments.

Article 9: These regulations were created on 18 May 1990

The 1st amendment was made on 1 May 1992

The 2nd amendment was made on 29 May 1995

The 3rd amendment was made on 24 May 2000

The 4th amendment was made on 26 June 2003

The 5th amendment was made on 27 June 2007

The 6th amendment was made on 27 June 2012

Procedure of Endorsement and Guarantees for WAN HAI LINES LTD. And Its Subsidiaries

Article 1: For all matters pertaining to endorsements and guarantees, the Company and its subsidiaries complies with this set of procedures for implementation.

Article 2: The Company's counterpart for endorsements and guarantees are limited to those circumstances listed below:

1. Any company which has a business relationship with the Company;
2. Any company in which the Company holds more than 50% of the shares with direct or indirect voting rights
3. Any company which holds more than 50% of the Company's shares with direct or indirect voting rights

Subsidiaries in which the Company holds, directly and indirectly, 90% or more of the voting shares may provide mutual endorsements or guarantees. The total amount of endorsements or guarantees which may be provided must not exceed 10% of the net value of the Company. However, such limitation of the amount shall not be applicable to subsidiaries in which the Company holds, directly and indirectly, 100% of the voting shares. Mutual guarantees in the same trade required by construction cooperating contractors' contract or endorsements/guarantees made by all capital-contributing shareholders of the joint venture subject to their shareholding for investees shall be free from the restrictions referred to in the preceding two paragraphs.

The above-mentioned capital contribution refers to an investment made by the Company directly, or via any company in which the Company holds 100% of the shares with voting right.

Article 3: The endorsements and guarantees referred to in this procedure include:

1. Financial endorsements and guarantees, refers to tickets discounted financing, endorsements and guarantees for the purpose of other company's corporate financing, and receipts created for guarantees for the Company's financing apart from those in the financial business.
2. Customs endorsements and guarantees, refers to endorsements and guarantees made by the Company or other companies that are related to customs items.

3. Other endorsements and guarantees, refers to endorsements and guarantees which cannot be included in the two preceding items. Movable property or real estate used by the Company or other companies for the purpose of loan guarantee pledges, and mortgage rights should be handled according to the main points of these regulations.

Article 4: Amount limitations of Endorsements and Guarantees

1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth.
2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company's net worth. Endorsements and guarantees made to a single enterprise should first be presented to and inspected by the Chairman, and receive the approval of the Board of Directors before implementation. The total balance of an endorsement made to a single enterprise should not exceed that company's quota for endorsements and guarantees.
3. The Endorsements and guarantees made to a single enterprise during the course of business dealings should not exceed the sum of the previous years' business dealings between the two parties. Business dealings refer to the total purchase or sale of goods between the two parties.
4. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole total may not exceed 250% of net worth.
5. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of net worth.
6. Endorsements and guarantees made by the Company to its subsidiaries, or subsidiaries to the Company, or endorsements and guarantees mentioned in Item 2 of Article 2, are not subject to the restrictions of rules contained in this Article's second, third, or fifth item.

Article 5: Procedures and control of total amounts for endorsements and Guarantees

1. Before endorsing others or providing guarantees, a careful evaluation of whether or not it conforms to the regulations of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, as well as these operating procedures. After undergoing analysis using these regulations, the results should be submitted to the Board

of Directors for a resolution, and only then enacted. When necessary, it should first be approved by Chairman, and be retroactively recognized by the Board of Directors after it has been enacted.

Subsidiaries where the Company directly or indirectly controls 90% of voting rights making endorsements and guarantees under Item 2 of Article 2 must first submit a proposal to the Board of Directors and receive approval before implementation. Endorsements and guarantees of companies who directly or indirectly control 100% of voting rights are not subject to these restrictions.

2. If there are independent Directors, ample consideration of the opinions of all independent directors is necessary. The explicit agreement or opposition of the independent directors, as well as their reasons for opposition, must be recorded in the minutes of the Board of Directors.
3. When a guaranteed company requests an endorsement or guarantee, an official statement containing its uses, sum total of the endorsement and guarantee, and other relevant information should be provided. The promissory note should be provided at the same time. These restrictions do not apply to endorsements and guarantees made to subsidiaries, or endorsements and guarantees made by subsidiaries to the Company, or endorsements and guarantees falling under the circumstances as listed in Item 2 of Article 2.
4. The official statement described above, as well as the promissory note, should first undergo examination by the financial department. The main points of examination are listed as follows:
 - (1) Whether or not ample reason is provided for the request of endorsements and guarantees. Whether or not the endorsement and guarantee is necessary and reasonable.
 - (2) Credit and risk assessment of the guaranteed company, and an assessment by the company's financial department regarding the necessity of the sum of the endorsement.
 - (3) Whether or not the accumulated sum of the endorsement falls within the quota.
 - (4) The effect upon the company's operational risk, financial condition, and shareholders' rights. The possibility of other factors that may pose harm to

the Company's rights and interests.

- (5) Whether or not collateral is required, and the evaluation of the worth of the collateral.
5. The manager of the finance division should submit the audit opinion along with the official statement and promissory note to the Board of Directors or Chairman for consideration.
6. Promissory note that have been approved according to this procedure must first complete the steps listed before being returned to the guaranteed company:
 - (1) Stamped with the Company's official seal
 - (2) A copy of both sides of the promissory note for future reference
 - (3) Entered into the "reference system," so as to control the endorsement amount
7. When the promissory note or guarantee is not approved, the finance division must prepare a statement giving reasons for rejection, and send it to the guaranteed company along with the promissory note.
8. When an endorsed or guaranteed party originally satisfying requirements of Article 2 no longer satisfies these requirements, or the sum of the endorsement and guarantee, due to change in the calculated base quota, exceeds the established quota, a correction must be made to the sum of the endorsement and guarantee or the amount exceeding the quota, within the time period of the contract. Or otherwise completely eliminating the error within a specified time set by the financial division, after passing inspection from the Chairman of the Board, as well as a report made to the Board of Directors and the Supervisors.
9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the monitoring and controlling should be prescribed as follows:

The finance division should, keep monitoring on the basis of the procedures of the Company's Internal Control System and the regulations of this Procedure. Additionally, a yearly evaluation of the necessity, rationality, risk, and influence upon operational risk, financial risk, and shareholders' rights to the Company and its subsidiaries, should be compiled along with guarantee

information and evaluation. A written report should be given to the Chairman of the Board, as well as a report to the Board of Directors if the Chairman deems it necessary.

Article 6: Nullification of the promissory note

1. If it is necessary to nullify the promissory note due to debt settlement or new extension, the guaranteed company must prepare a document, and submit the original-promissory note to the Company's finance division, with a "nullified" stamp. The received document will be filed for future reference.
2. The finance division must update the record in the "reference system," reducing the total of endorsement sum.
3. When the promissory note is newly extended, financial institutions often request to complete the whole procedure of new promissory note before returning the old one. Under these circumstances, the finance division must prepare and follow up with minutes, and take the nullified promissory note back as quickly as possible.

Article 7: The Company shall apply for a registered company seal for use on endorsements and guarantees from the Ministry of Economic Affairs. The seal used for endorsements and guarantees will be taken care of by a person assigned by the Board of Directors. Materials requiring the seal or signing of invoices should go through the Company's procedure for approval. For guarantees to foreign companies, the letter of guarantee should be signed by Chairman or other personnel who is authorized by the Board of Directors.

Article 8: Items pertaining to endorsements and guarantees made by the Company should be entered into the "reference system" by the finance division. It should include detailed information with regards to items accepted as collateral, name of company receiving endorsements and guarantees, results of risk evaluation, sum of endorsements and guarantees, date and conditions for the collection of collateral and lifting of guarantee responsibilities, date of approval by the Board of Directors or Chairman, date of endorsement and guarantee, as well as other assessments or cancellations relevant to the endorsement and guarantee.

The Company's internal auditor should keep monitoring and auditing the procedure for endorsements and guarantees and the status of its execution every quarter. A written record of this audit should be created. If a significant transgression of regulations is discovered, a written notification must be given to each Supervisor.

Article 9: The announcement of the balance of endorsements and guarantees should be conducted according to the following procedures:

1. The Company shall announce and report the previous month's balance of endorsements and guarantees of itself and its subsidiaries along with the turnover by the 10th day of each month, which is required by the Executive Yuan Financial Supervisory Commission.
2. The Company whose balance of endorsements and guarantees reaches one of the following levels shall announce and report such event within two days from its occurrence:
 - (1)The aggregate balance of endorsements and guarantees by the Company and its subsidiaries reaches 50 % or more of The Company's net worth as stated in its latest financial statement.
 - (2)The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches 20 % or more of the Company's net worth as stated in its latest financial statement.
 - (3)The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches TWD 10 millions or more and the aggregate amount of all endorsements and guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30 % or more of The Company's net worth as stated in its latest financial statement.
 - (4)The amount of new endorsements and guarantees made by the Company or its subsidiaries reaches TWD 30 millions or more, and reaches 5 % or more of the Company's net worth as stated in its latest financial statement.

The Company 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.

If the total sum of an endorsement and guarantee reaches the circumstance mentioned in the first listed item of subsection two of the first item, the following items should be announced:

- (1) The name of the company where the endorsement and guarantee exceeded TWD 100 millions or exceeded 5% of net worth as stated in its latest financial statement, its relation to the Company, amount of the endorsement and guarantee, the total balance of endorsement and guarantee up to the date of occurrence, and reason.
- (2) The proportion of the Company's net worth as stated in its latest financial statement that the endorsement and guarantee constitutes up to the date of occurrence.

If the balance of endorsements and guarantees to a single enterprise reaches the second, third, or fourth listed item of the second section, the following items should be announced:

- (A) The name of the company receiving endorsements and guarantees, its relation to the Company, the total balance of endorsements and guarantees, the original amount of the endorsement and guarantee, the amount of the newly added endorsement and guarantee and reason.
 - (B) The content and value of collateral provided by the company receiving endorsements and guarantees
 - (C) The cumulative gain or loss of the most recent financial report of the company receiving endorsements and guarantees
 - (D) Conditions or dates for the removal of responsibilities for endorsements and guarantees
 - (E) The proportion of the company receiving the endorsements and guarantees' net worth as stated in its latest financial statement that the endorsement and guarantee constitutes up to the date of occurrence.
 - (F) The proportion of the Company and the company receiving the endorsements and guarantees business transactions in the previous year that the endorsement and guarantee constitutes up to the date of occurrence.
7. The proportion of the Company's net worth as stated in its latest financial statement that the combined total of long-term investments, endorsements

and guarantees, and lending funds constitutes up to the date of occurrence.

Article 10: The Company should provide materials related to endorsements and guarantees to be signed by a CPA, and illustrated in the audit report.

Article 11: Before implementing the Procedures for endorsements or guarantees, recognition by the Board of Directors according to the all of the above articles should be carried out. If there are parts which exceed the provided limit, the difference should be nullified in order to reduce the total.

Article 12: Subsidiaries of the Company should be considered separately for endorsements and guarantees. An application must first be submitted to the Company and proceeded according to all of the provisions of this Procedures. If the subsidiary was established overseas, then the local registered company seal shall serve as the proper seal for endorsements and guarantees.

Article 13: If a manager or organizer of the company violates the Procedures, an assessment must be carried out according to the personnel administration rules and the employee handbook. The severity of the punishment will be based on the circumstances.

Article 14: The Procedures, as well as subsequent amendments, should be approved by the Board of Directors firstly and sent to all Supervisors for approval. The amended procedures will be implemented after approved by the shareholders meeting.

Article 15: The Procedures were created on 21 May 1991
The 1st amendment was made on 7 May 1997
The 2nd amendment was made on 27 Sep 2002
The 3rd amendment was made on 26 June 2003
The 4th amendment was made on 23 June 2005
The 5th amendment was made on 23 June 2006
The 6th amendment was made on 19 June 2009
The 7th amendment was made on 18 June 2010
The 8th amendment was made on 27 June 2012

WAN HAI LINES LTD. Procedures for the Election of Directors and Supervisors

Article 1: All elections of the Company's Directors and Supervisors should be carried out according to the regulations established in these procedures, which have been created in compliance with the Company Act and the Company's Memorandum of Association.

Article 2: The election of the Company's Directors and Supervisors shall be carried out separately during the shareholders meeting.

Article 3: The Company's election of Directors and Supervisors shall use a registered ballot system. Registration for the election uses the shareholder's account number. The cumulative voting system is used to fully reflect the opinions of the shareholders.

Article 4: The Company's election of Directors and Supervisors counts one share as representing a number of voting rights equal to the number of Directors (Supervisors) being elected. The Board of Directors shall prepare and distribute ballots equal to the number of Directors (Supervisors) being elected to each shareholder. The ballots may be pledged towards a single candidate or be distributed to multiple candidates.

Article 5: The Directors and Supervisors elected by the shareholders, shall comply with the quota established by the Company's Memorandum of Association. Those who receive a great number of votes shall be elected as Director or Supervisor. Those elected to the position of Director or Supervisors must simultaneously confirm their desire to hold the position of Director or Supervisor. If an elected Director or Supervisor, prior to registration with the competent authority, makes clear the intention to forgo appointment, the vacancy will be filled by the candidate with the second most number of votes. If two candidates receive the same number of votes and exceed the quota for Directors or Supervisors, the two candidates must draw lots to decide. For non-attending candidates, the chairman

shall represent him or her when drawing lots.

Article 6: The ballots prepared by the Board of Directors shall include the account number as well as the number of voting rights.

Article 7: At the beginning of the election, the chairman must assign a ballot inspector and ballot counter to carry out inspections of ballots and counting of ballots.

Article 8: A ballot box must be prepared by the Board of Directors, and be opened and shown by the ballot inspector before voting begins.

Article 9: When a person to be elected is a shareholder, the voter must fill in the "person to be elected" column with the name and shareholder's account number. If the person to be elected is not a shareholder, the "person to be elected" column should be filled in with the name and I.D. number or passport number of the person to be elected. After this is completed, the ballot is placed inside the ballot box. In the case of a corporate entity being a shareholder, the voter must fill in the "person to be elected" column with the name of the corporate entity or its representative.

Article 10: Ballots are deemed null and void in the case of any of the below-listed situations:

1. Those ballots not using the regulations of the voting procedures
2. Blank ballots inserted into the ballot box
3. Ballots with illegible handwriting or changes made without following proper procedure.
4. Ballots with the recorded name of the person to be elected not conforming to the shareholders registration record.
5. Single ballots with a number of persons to be elected exceeding the prescribed quota.
6. Ballots with other writing on it apart from the name and shareholder account number, I.D. Number, or passport number of the person to be elected.
7. Ballots where the name of the person to be elected is the same as another person to be elected, and a shareholder account number, I.D. number, or passport number is not provided to differentiate.

Article 11: Two ballot boxes shall be provided for the elections of the Directors and Supervisors. After separately voting, votes are to be counted on the spot. The election results shall be announced by the chairman on the spot.

Article 12: Elected Directors and Supervisors shall be separately notified of their election by the Board of Directors.

Article 13: These procedures and subsequent amendments were implemented after adoption by the shareholders meeting.

Article 14: These procedures were created on 21 May 1996

The 1st amendment was made on 29 June 2002

The 2nd amendment was made on 27 June 2012

Appendix 6

Other Information that should be Disclosed

1. The earning distribution of employee bonuses and director/supervisor remuneration for the 2010 fiscal year:

Unit: TWD

Item	Amount	Converted to Shares	The Proportion of Dilution to Equity
The remuneration of directors and supervisors (in cash)	33,677,719	-	-
Bonus to employees (in cash)	33,677,719	-	-
Bonus to employees (shares)	0	-	-
Total	67,355,438	-	-

Note: Above distribution are same as the Board of Directors resolution on April 27, 2011.

2. Dividend policy

The industry of the Company is highly changeable and is capital intensive. The Company is in the stable growing stage. According to the Company's articles of incorporation, 10% of its annual net income after offsetting prior years' deficits and paying tax is to be set aside as a legal reserve, and special reserves are to be provided according to the regulations. Distribution of the remaining earnings will be as follows: (1) 1% as bonus to the employees, (2) 1% as remuneration to the directors and supervisors, and (3) 98% as bonus to the stockholders, with the cash dividend not less than 10% of the dividends to the stockholders. In consideration of future financing demands and the long-term finance plan, the Company's stockholders' meeting could adjust the retained earnings distribution percentages.

If the annual net income after income tax is not enough for special reserve but there is prior year's accumulated income, the special reserve should be provided from prior year's earnings before distribution.

3. Proposed distribution of retained earnings of year 2011

- (1) 2011 year opening undistributed earnings is NT\$ 0 and net income is NT\$ 20,306,152. After deducting legal reserve amounting NT\$2,030,615 according to the law, the rest amount NT \$ 18,275,537 will be in full accordance with regulations set aside in special reserve and not for distribution.
- (2) The Board proposed to allot the amount of bonuses to employees, directors and supervisors recognized annual cost estimate column amount of difference: N/A
- (3) The influence of Stock dividend toward operating performance, EPS, and ROE of the company: It is not applicable. Our company doesn't publicly disclose financial estimations.

Appendix 7

Status of the Number of Shares Held by Directors and Supervisors

1. Detailed Table of the minimum shares held by the entire body of Directors and Supervisors, and share numbers recorded in shareholder registration book

Title Name	Shall Maintain An Aggregate Holding of Shares	Share Numbers Recorded in the Shareholder Registration Book (shares)
Director	66,548,923 (3%)	90,860,271
Supervisor	6,654,892(0.3%)	28,895,025

Note: Book closure date: 2012/04/29

2. Detailed Table of amount of shares held by Directors and Supervisors

Until book closure date:2012/4/29

Title	Name	Share Numbers Recorded in the Shareholder Registration Book(shares)	Notation
Chairman	Po-Ting Chen	9,603,548	
Director	FORMOSA WONDERWORLD CO., Ltd.	880,794	Representative: Cheng-Hsien Lin
Director	TAILI Corporation	5,469,256	Representative: Randy Chen
Director	Chen-Yung Foundation	31,902,176	Representative: Chih-Chao Chen
Director	Baltimore International Ltd.	1,799,953	Representative: Hui-Ying Chen
Director	Ta Hsin Investment Co. , LTD.	38,287,219	Representative: Huey-Jiuan Chen
Director	Blue Moon Investment Co., Ltd.	2,917,325	Representative: Ye-Tsan Lee(note1) Representative: Fu-Tian Huang (note2)
Supervisor	Yee Sing Co., Ltd.	1,470,000	Representative: Mei-Huei Wu
Supervisor	Yi Teh Optical Technology Co., Ltd.	7,698,024	Representative: Chih-Hsiang Chen
Supervisor	Hwa-Mei LinYen	19,727,001	

Note 1: Resigned on 2012/01/31, and holding of shares: 0.

Note 2: Representative appointed on 2012/03/21.

Note 3: The Company has a paid-up capital of \$22,182,974,660, issued in 2,218,297,466 ordinary shares.

Note 4: All Directors and all Supervisors shall maintain an aggregate holding of shares have reached the legal standards.