

SHIH WEI NAVIGATION CO., LTD.

2025 Risk Management Operations Report

1. Risk Management Policies and Procedures:

The Company has established the "Risk Management Policies and Procedures" based on the "Guidelines for Risk Management Practices of Listed Companies." This policy was approved by the Audit Committee and the Board of Directors on November 2, 2023, and serves as the highest guiding principle and management procedure for the Company's risk management. It clearly defines the company's management objectives, organizational structure and responsibilities, and management processes to effectively identify, measure, and control various risks of the company. This aims to enhance the effectiveness of risk management and keep major risks within acceptable limits to achieve corporate objectives.

2. Risk Management Organizational Structure:

The Company has established a multi-level risk management organizational structure, as defined in the "Risk Management Policies and Procedures". This includes the Board of Directors, the Audit Committee, the Risk Management Team, various responsible departments, and internal audit functions within the risk management organization. On August 10, 2023, the Board of Directors approved amendments to the organization rules of the Audit Committee, enabling the Audit Committee to assist the Board in supervising the scope, organizational structure, and operations of risk management. The Company's "Risk Management Team" consists of heads of various responsible departments, with the President of the Company acting as the convener. This team assists in formulating and promoting various risk management-related systems and regularly holds risk management meetings. During these meetings, responsible personnel report on the implementation of risk identification and response plans, risk trends, and countermeasures, which are recorded. The team compiles and reports the annual risk management implementation to the Audit Committee and the Board of Directors regularly (at least once a year).

3. Risk Management Procedures:

The procedures include steps such as objective setting and strategy planning, risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review. Each responsible department, based on the Company's strategy goals and the "Risk Management Policies and Procedures", identifies risks related to their objectives, strategies, and operations, including strategic, operational, financial, compliance, and other types of risks. They then analyze the likelihood and impact of risk events to calculate the risk value, compare it with risk appetite, determine which risk events need to be prioritized, and plan and implement subsequent risk response plans according to the risk levels. Follow-up supervision and reviews are also conducted.

4. Operational Status:

The operational status of 2025 risk management as of November 30, 2025, is as follows:

1. Meetings were held on March 26, June 18, August 8, and November 14, 2025 respectively, to assess various risk levels.
2. The 2025 Risk Management Operations Report was submitted to the Audit Committee and the Board of Directors on December 23, 2025.