

Handbook for the 2024 Annual Meeting of Shareholders

TWSE : 5608

Time: June 25, 2024

**Venue: Conference Room 208+209, Primasia Conference & Business Center
2F., No. 99, Fusing N. Rd, Taipei City, Taiwan**

***In the event of discrepancies between the English and Chinese versions, the Chinese version shall prevail.**

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I. Agenda

Shih Wei Navigation Co., Ltd. 2024 Shareholders' Meeting Agenda

Time: 9:00 A.M. (Tuesday) June 25, 2024

Meeting type : Video-conferencing assisted shareholders meeting

(physical shareholders meeting supported by video conferencing)

Venue: Shareholders meeting location: PCBC 208+209 conference room

Address: 2F., No. 99, Fusing N. Road, Taipei, Taiwan

Virtual meeting platform: Taiwan Depository & Clearing Corporation Stockvote Platform (website: <https://www.stockvote.com.tw/>)

Meeting called to order: (announce respective number of shares held by shareholders present)

Chairperson's remarks:

I. Reports on Company Affairs

(I) 2023 business report

(II) Report by Audit Committee on review of the 2023 Financial Statements

(III) Report on the 2023 distribution of remuneration to employees and directors

(IV) Report on remuneration paid during 2023 to directors

II. Matters for Ratification

(I) Ratification of the 2023 Business Report and Financial Statements

(II) Adoption of the Proposal for 2023 Deficit Compensation Statement

III. Matters for Discussion

(I) Amendment to the "Articles of Incorporation"

IV. Extraordinary Motions

V. Adjournment

II. Management Presentations (Reports on Company Affairs)

(I) 2023 business report

Shih Wei Navigation Co., Ltd. 2023 Business Report

Foreword

The International Monetary Fund (IMF) predicted in its "World Economic Outlook" in January that the growth rate for 2023 would be 3.1%, a decrease of 0.4% from the 3.5% forecast for the year 2022, with an estimate of 3.1% for 2024. At the beginning of 2023, following the pessimistic sentiment of the previous year, the US have had 12 interest rate hikes reaching to between 5.25% and 5.5% from 2022 to 2023. Under the effect of tightening monetary and financial policies, the inflation rates in most regions have declined faster than expected, from an average of 6.8% in 2023 to 5.8% in 2024. The Organization for Economic Cooperation and Development (OECD) released various economic growth indices for 2023, which were similar to previous recovery cycles. Dry bulk markets have performed stronger compared to the previous years.

The BDI index started weak from the beginning of 2023 due to the usual slow Chinese economy during lunar new year holiday as well as the demand from other regions not recovering yet. The lowest point, 530, was reached on February 16, followed by a market rebound. However, amongst concerns over China economic growth forecast being adjusted to under 5% and the US economic recession, the market faced uncertainties. From Q3, the severe drought in Panama Canal has limited their daily crossings, while the Houthi attackers have blocked the passage of ships in Suez Canal. These led to increased tone-miles, price hikes on iron ore and steel. Other than that, with Indonesia's export ban and increased demand for replenishing Chinese inventories, the BDI index reached an unusually high point of 3,346 in December, closed Q4 with an average of 2,031. Although the annual average of 1,373 showed a decline compared to 2022's average of 1,934, the strong performance of Capesize has brought the BDI not only through the end of the year but also the following January and February, with average indices of 1,617 and 1,650 respectively.

According to the statistics revealed in the SSY (Simpson Spence Young) market report, as of the end of 2022, the number of dry bulk cargo vessels (>10,000 DWT) was 12,576 units, an increase of 313 compared with 2022. And the shipping capacity was increase by approximately 26.12 million tons, with the total demolitions of 6.12 million tons. According to the statistics of 2023 shipping capacity of dry bulk carriers released by Clarksons Research in February 2024, the total shipping capacity of dry bulk carriers increased by about 3.1%, of which, Capesize increased by 2.5%, Panamax by 3.5%, Supramax by 3.4%, and Handysize by 3.3%. In 2023, the dry bulk shipping market was influenced by various factors, with a volume growth of approximately 3.7%. Increased demand for Brazilian iron by Chinese steel mills, significant increases in exports of bauxite from Guinea due to the Indonesian ban, and higher exports of bulk commodities such as iron ore, coal,

grains, and fertilizers, as well as steel products, compared to 2022. However, the cement and some real estate-related steel industries saw a decline due to the sluggish Chinese property market.

Business Performance

As of the end of February, 2024, the company and its wholly-owned Panamanian subsidiaries run a total of 29 self-owned ships being 1 coastal Passenger ship, 2 Multi-Purposed vessels, 19 Handysize, 2 Supramax, 2 Ultramax, 2 Panamax, and 1 Kamsarmax. The average age of the fleet is about 10 years old, with a total capacity of approximately 1.08 million tons. In 2023, 3 new orders of Ultramax were placed with one delivery a year starting from 2024 respectively.

In 2023, growth was still hindered by war, inflation, high interest rates, and global economic recession concerns. China's policy measures stimulated the flow of bulk cargo, with other major economies growing faster than expected, gradually showing optimism in Q4. In order to meet Carbon Intensity Indicator (CII) regulations, measures were taken such as introducing carbon intensity monitoring systems, fitting energy-saving equipment or Engine Power Limitation (EPL) to reduce engine output or environmentally friendly anti-fouling paints to improve vessel energy efficiency. Measures to reduce carbon emissions, including technical improvements, hull and propeller maintenance to enhance efficiency, all link to operational costs and capital expenditure. Amid the global economic uncertainties, the increasing costs of promoting green shipping has led to an unsatisfying overall performance in 2023.

Future Perspectives

The IMF forecasted 3.2% global economic growth for 2025 in its latest World Economic Outlook report (January), an increase of 0.1% compared with that for 2024. In its last October forecast, the global inflation rate remained at 5.8% in 2024, but the forecast for 2025 was revised down to 4.4%. China's real estate problems still persist. Despite the softness in real estate, crude steel production still increased by 1.1% (YOY), with strong growth in infrastructure, automotive, and other industries. Market expectations suggest that China's import growth will slow down compared to last year. But import growths (other than China) are expected to increase. This is mainly due to significantly reduced global inflation rates, strong demand for commodities, China's continued economic stimulus measures, and relaxation of monetary policies in countries other than China. The Russia-Ukraine war has triggered energy and food crises, which have persisted into the third year. On October 7, 2023, the Hamas launched its largest attack on Israel territory in years, prompting Israel to retaliate and declare war on Hamas the next day. The Houthis, under the guise of supporting Palestine, attacked ships associated with Israel, even expanding attacks to any merchant ships passing the Red Sea. The Red Sea crisis has forced ships to detour via the Cape of Good Hope to Europe, increasing both time and costs. Both conflicts have caused chaos in maritime transport, leading to the formation of shadow fleets and the rerouting of ships through

the Red Sea. Despite the fundamental support for the shipping market forecast in 2024, there are still geopolitical tensions, economic issues related to wars, rising commodity prices, inflation, oil prices, and developments in alternative energy sources, among other variables.

The global carbon neutrality target is to achieve net zero emissions globally by 2050. EU policies stipulate that from January 1, 2024, the EU Emissions Trading System (EU ETS) will include shipping in its regulations, imposing carbon taxes on ships entering the EU area. Other countries such as the US, the UK, and China are also drafting similar proposals. In 2023, Taiwan passed the Climate Change Response Act using carbon fees to raise awareness among global citizens about climate change. Uncertainty of routes and trading areas is the primary characteristic of dry bulk operations, making it difficult to formulate regular emission reduction plans. The options are usually limited to slow steaming, equipment installation and vessel retrofitting. International environmental regulations are accelerating the scrapping of vessels, but the delivery of new tonnages is still limited. The overall fleet growth is expected to be low. The climate change also prolongs vessel's detention time in port. The industry is optimistic about the prospects of the dry bulk market this year. Therefore, deliberated planning of the fleet trading and operations is crucial.

I would like to extend our sincere gratitude to all the shareholders of Shih Wei Navigation for your long-term support. In addition to facing regional connections under the globalization of economies, including international political conflicts, sanctions, variations in financial policies, and measures to control inflation, the environmental challenges are more challenging than ever. We will have to take proactive action. International sustainability standards, climate-related financial disclosures, carbon boarder tax, carbon pricing and etc., are still the main concerns in the near future. Every new challenge is an opportunity. The Shih Wei team will uphold the spirit as usual and be mindful of carrying our business to the best performance in this volatile market. Thank you again for your continued support and we wish all of you good health and prosperity.

Chairwoman & President, Shin-Chyi Lan

Principal Accounting Officer, Fang-Yi Lin

(II) Report by Audit Committee on review of the 2023 financial statements

Shih Wei Navigation Co., Ltd.

Audit Committee's Report

The Board of Directors has prepared and submitted the 2023 financial statements, of which the financial statements have been audited by the CPAs Tseng, Kuo-Yang and Chih, Shih-Chin of KPMG, Taiwan and an Audit Report has been submitted. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act, this report is submitted for shareholder's examination.

To:

The Company's 2024 General Shareholders' Meeting

Convener of the Audit Committee: Chou, Chen-Shing

February 22, 2024

Shih Wei Navigation Co., Ltd.

Audit Committee's Report

The Board of Directors has prepared and submitted the 2023 business report, and proposal for deficit compensation statement. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 219 of the Company Act, this report is submitted for shareholder's examination.

To:

The Company's 2024 General Shareholders' Meeting

Convener of the Audit Committee: Chou, Chen-Shing

March 26, 2024

(III) Report on the 2023 distribution of remuneration to employees and directors

- I. According to Article 32 of the Articles of Incorporation, should the Company make a profit in the current year (profits refer to income before tax and before the distribution of remuneration to the employees and Directors), no less than 2% shall be allocated as the employees' remuneration and no more than 5% as the Directors' remuneration.
- II. The Company had a net loss before tax in 2023 and therefore does not distribute remuneration to employees nor Directors.

(IV) Report on remuneration paid during 2023 to directors

- I. The Company's 2023 director remuneration policy, individual remuneration details, amount, and association with outcomes of performance reviews are reported to the shareholders' meeting report in accordance with Article 10-1 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
- II. The Company's Directors remuneration policy adheres to Article 30 of the Company's Articles of Incorporation, and the Company Directors may receive transportation allowances or salary. The Board of Directors is authorized to determine the transportation allowances or salary based on prevailing rates in the industry. The transportation allowances or salary must be paid regardless of whether the Company records a profit or a loss. In accordance with the "Compensation Guidelines for Board Directors and Managers", the compensation for individual directors is based on the value of the degree of contribution to the company operations. According to Article 32 of the Company's Articles of Incorporation, if the Company was profitable during the year, no more than 5% of the profit may be allocated as remuneration for directors.
- III. Details on the remuneration for directors in 2023 are as follows:

Title	Name	Remuneration of Directors										Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Remuneration (A)		Severance Pay and Pension (B)		Remuneration of Director (C) (Note 1)		Business Expenses (D)				Salary, Bonuses, and Allowances (E) (Note 2)		Severance Pay and Pension (F) (Note 3)		Remuneration of Employees (G) (Note 4)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial statements	
Chairperson	Luo Pan Investment Corp.	1,537	1,537	0	0	0	0	398	398	1,935	1,935	0	0	0	0	0	0	0	0	1,935	1,935	None
										(0.4065)	(0.4065)									(0.4065)	(0.4065)	
	Representative: Lan, Shin-Chyi	3,540	3,540	0	0	0	0	45	45	3,585	3,585	0	0	6.75	6.75	0	0	0	0	3,591.75	3,591.75	None
										(0.7532)	(0.7532)									(0.7546)	(0.7546)	
Director	Luo Pan Investment Corp.	512	512	0	0	0	0	0	0	512	512	0	0	0	0	0	0	0	0	512	512	None
										(0.1076)	(0.1076)									(0.1076)	(0.1076)	
	Representative Lan,Shin-Ying	0	0	0	0	0	0	20	20	20	20	0	0	0	0	0	0	0	0	20	20	None
										(0.0042)	(0.0042)									(0.0042)	(0.0042)	
Director	Chen, Huo-Tsai	0	0	0	0	0	0	25	25	25	25	0	0	0	0	0	0	0	0	25	25	None
Director	Kuo, Chen-Yu	512	512	0	0	0	0	40	40	552	552	0	0	0	0	0	0	0	0	552	552	
Independent Director	Lin, Po-Ging	59	59	0	0	0	0	30	30	89	89	0	0	0	0	0	0	0	0	89	89	None
										(0.0187)	(0.0187)									(0.0187)	(0.0187)	
Independent Director	Chang, Lu-Chang	59	59	0	0	0	0	30	30	89	89	0	0	0	0	0	0	0	0	89	89	None
										(0.0187)	(0.0187)									(0.0187)	(0.0187)	
Independent Director	Chen, Po-Chung	59	59	0	0	0	0	30	30	89	89	0	0	0	0	0	0	0	0	89	89	None
										(0.0187)	(0.0187)									(0.0187)	(0.0187)	
Independent Director	Chou, Chen-Shing	573	573	0	0	0	0	32	32	605	605	0	0	0	0	0	0	0	0	605	605	None
										(0.1271)	(0.1271)									(0.1271)	(0.1271)	
Independent Director	Shann, Shu-Jiun	573	573	0	0	0	0	32	32	605	605	0	0	0	0	0	0	0	0	605	605	None
										(0.1271)	(0.1271)									(0.1271)	(0.1271)	
Independent Director	Chang, Tsang-Yao	573	573	0	0	0	0	28	28	601	601	0	0	0	0	0	0	0	0	601	601	None
										(0.1263)	(0.1263)									(0.1263)	(0.1263)	
Independent Director	Ding, Yun-Kai	573	573	0	0	0	0	28	28	601	601	0	0	0	0	0	0	0	0	601	601	None
										(0.1263)	(0.1263)									(0.1263)	(0.1263)	

1.Please describe the policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:
The Company had a net loss before tax in 2023 and therefore does not distribute remuneration to Directors. Starting from August 10, 2023, in accordance with the "Regulations on Directors' and Managers' Salaries and Benefits" of the company, independent directors shall be paid an annual salary of NT\$1,000 thousand, irrespective of business profit or loss, based on their degree of participation in the company's operations and their contribution value. Additionally, considering that independent directors concurrently serve as members of the Audit Committee and the Remuneration Committee, they are each paid a monthly stipend of NT\$10 thousand. The remuneration of independent directors is deliberated by the Remuneration Committee and submitted to the Board of Directors for approval.

2.Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g., acting as a non-employee consultant) rendered to the Company: None

Remarks: The remuneration of Directors of the Company includes the transportation allowance for each attendance in meetings of the Board of Directors. The Company also considers its annual business performance and the annual self-assessment of Directors' performance to determine the adjustments of the remuneration.

Note 1: On Feb 22, 2024, the Board of Directors approved the Company had a net loss before tax in 2023 and therefore does not distribute remuneration to Directors.

Note 2: All payments to Directors who are also employees of the Company (including the position of President, Vice President, other management personnel and staff), including salary, additional pay, severance pay, bonuses, incentive payments, transportation, special allowance, other allowances, housing, and company car. Where housing, car and other forms of transport, or personal allowances are provided, the nature and cost of assets provided should be disclosed and the rent, gas, and other expenses be paid as incurred or at fair market price. Where a driver is also provided, it should be specified in the notes that the Company pays compensation to the driver but does not include the amount in remuneration. From February 16, 2022 the Company provided a car for the Chairperson of the Board at a cost of NT\$2,250 thousand, depreciation expense NT\$375 thousand per year and 2023 fuel cost of NT\$23 thousand.

Note 3: It refers to the amount appropriated in the most recent year.

Note 4: On March 26, 2024, the Board of Directors approved not distribute remuneration Directors.

Note 5: 2023 net loss after tax: NT\$476,000 thousand.

III. Matters for Ratification

Item 1 Proposed by the Board

Proposal: Ratification of the 2023 Business Report and Financial Statements.

Explanation: The Company's Financial Statements and Consolidated Financial Statements for 2023 (including the Balance Sheet, Consolidated Income Statement, Statement of Changes in Equity, and Cash Flow Statement) have been audited by the Tseng, Kuo-Yang and Chih, Shih-Chin of KPMG, Taiwan. They were submitted along with the business report to the Audit Committee for review and are hereby filed for ratification. (Please refer to pages 10 to 25).

Resolution:



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Shih Wei Navigation Co., Ltd.:

Opinion

We have audited the financial statements of Shih Wei Navigation Co., Ltd. ("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Cut-off of Revenue Recognition from Subsidiaries Accounted for Using the Equity Method

Please refer to notes 4(k) to the financial statements for the accounting principles on the recognition of revenues.

Description of the key audit matter:

As the cut-off of revenue recognition from subsidiaries accounted for using the equity method of the Company involves manual operations and is subject to judgment, and the amount of revenue is material, we considered the cut-off of revenue recognition from subsidiaries accounted for using the equity method as the key audit matter.

How the matter was addressed in our audit:

- According to the understanding of the design and implementation of the internal controls related to the rental revenue recognition from subsidiaries accounted for using the equity method, we designed the audit procedures of the existence of rental revenue to evaluate the operating effectiveness of these internal controls.
- We performed a test of details of rental revenues by inspecting the accounting records and external supporting documents to verify the correctness of sales amounts and the situation of collection.
- We performed confirmation procedures of rental agreement to verify the existence of the charterers and the sales terms.
- We execute sale cut-off tests for a certain period before and after the balance sheet date to check the correctness of the timing of the revenue recognition.

2. Impairment assessment of property, plant and equipment from Subsidiaries Accounted for Using the Equity Method

Please refer to notes 4(J) to the financial statements for the accounting policy on impairment of non-financial assets.

Description of the key audit matter:

The Company is mainly engaged in the shipping and tourism industry, wherein the shipping business is affected by the global economic situation and fierce competition within its market, creating an impact on the Group's operating performance on tourism industry to continue to suffer losses, which may result in a risk of asset impairment.

The management's subjective judgment on numerous assumptions and estimates used in the asset impairment assessment process is highly uncertain, which may lead in the estimation results to have a significant impact on the consolidated financial statement. Hence, impairment assessment has been considered as one of our key audit matters.

How the matter was addressed in our audit:

- Obtaining the impairment evaluation report of each CGU provided by the management, inspecting the accuracy of information from internal and external sources, and evaluating the management's reasonableness in identifying impairment.
- Evaluating the assumptions used by the management when conducting impairment testing, including whether the classification of CGU, cash flow forecasts, and discount rates, are appropriate, as well as checking the setting of the evaluation model calculation formula.
- Analyzing the recoverable amount using a third-party expert evaluation report, reviewing the reasonableness of relevant assumptions, and assessing the qualifications and independence of the experts.

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

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



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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Kuo-Yang and Chih, Shih-Chin.

KPMG

Taipei, Taiwan (Republic of China)

February 22, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 312,253	2	322,073	2	2100	Short-term borrowings (Note 6(f))	\$ 500,000	4	438,000	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	23,931	-	9,503	-	2170	Accounts payable	-	-	19	-
1210	Other receivables related parties, net (Note 7)	181	-	216	-	2219	Other payables, others	40,774	-	95,982	1
1476	Other current financial assets (Note 6(e))	223,230	2	156,294	1	2220	Other payables to related parties (Note 7)	2,178,078	16	1,894,261	13
1479	Other current assets, others	4,625	-	1,851	-	2230	Current tax liabilities	115,029	1	123,571	1
		<u>564,220</u>	<u>4</u>	<u>489,937</u>	<u>3</u>	2322	Long-term borrowings, current portion (Note 6(g))	120,000	1	294,666	2
Non-current assets:						2399	Other current liabilities, others	907	-	845	-
1550	Investments accounted for using equity method, net (Note 6(c))	13,045,308	94	12,533,337	90			<u>2,954,788</u>	<u>22</u>	<u>2,847,344</u>	<u>20</u>
1600	Total property, plant and equipment (Note 6(d))	99,195	1	100,526	1	Non-Current liabilities:					
1510	Total non-current financial assets at fair value through profit or loss(Note 6(b))	51,000	-	-	-	2540	long-term borrowings (Note 6(g))	300,000	2	141,278	1
1840	Deferred tax assets (Note 6(j))	3,635	-	9,709	-	2570	Deferred tax liabilities (Note 6(j))	716,018	5	869,436	6
1960	prepayments for investments (Note 6(c))	-	-	767,340	6	2531	Bonds payable (Note 6(h))	477,974	3	-	-
1980	Other non-current financial assets (Note 6(e))	123,577	1	35,698	-			<u>1,493,992</u>	<u>10</u>	<u>1,010,714</u>	<u>7</u>
1990	Other non-current assets, others (Note 6(i))	45,513	-	47,473	-		Total liabilities	<u>4,448,780</u>	<u>32</u>	<u>3,858,058</u>	<u>27</u>
		<u>13,368,228</u>	<u>96</u>	<u>13,494,083</u>	<u>97</u>		Equity attributable to owners of parent: (Note 6(k))				
Total assets		\$ <u>13,932,448</u>	<u>100</u>	<u>13,984,020</u>	<u>100</u>	Share capital:					
						3110	Ordinary shares	3,892,716	28	3,692,671	26
						3200	Capital surplus	3,267,784	23	3,044,890	22
						Retained earnings:					
						3310	Legal reserve	460,228	3	257,180	2
						3320	Special reserve	43,174	-	1,143,072	8
						3350	Unappropriated retained earnings (accumulated deficit)	1,882,052	14	2,031,323	15
								<u>2,385,454</u>	<u>17</u>	<u>3,431,575</u>	<u>25</u>
						3400	Total other equity interest	(62,286)	-	(43,174)	-
							Total equity	<u>9,483,668</u>	<u>68</u>	<u>10,125,962</u>	<u>73</u>
							Total liabilities and equity	\$ <u>13,932,448</u>	<u>100</u>	<u>13,984,020</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
	Operating Revenues:				
4600	Total service revenue	\$ 170,185	100	211,539	100
5000	Total operating costs	<u>4,276</u>	<u>3</u>	<u>3,826</u>	<u>2</u>
	Gross profit (loss) from operations	<u>165,909</u>	<u>97</u>	<u>207,713</u>	<u>98</u>
6200	Total administrative expenses (Note 6(i) and (m))	<u>153,964</u>	<u>90</u>	<u>192,657</u>	<u>91</u>
	Net operating income (loss)	<u>11,945</u>	<u>7</u>	<u>15,056</u>	<u>7</u>
	Non-operating income and expenses (Note 6(h)):				
7100	Interest income	8,025	5	865	-
7190	Other income, others	22,867	13	28,386	13
7225	Gains on disposals of investments	1,669	1	224	-
7230	Foreign exchange gains	17,691	10	(180,996)	(86)
7210	Gains on disposals of property, plant and equipment	435	-	-	-
7235	Gains (losses) on financial assets at fair value through profit or loss	(2,130)	(1)	(2,493)	(1)
7375	Share of profit (losses) of associates and joint ventures accounted for using equity method	(438,426)	(258)	2,680,836	1,267
7590	Miscellaneous disbursements	(101)	-	(194)	-
7510	Interest expense	<u>(19,693)</u>	<u>(12)</u>	<u>(16,017)</u>	<u>(8)</u>
	Total non-operating income and expenses	<u>(409,663)</u>	<u>(242)</u>	<u>2,510,611</u>	<u>1,185</u>
	Profit (loss) from continuing operations before tax	<u>(397,718)</u>	<u>(235)</u>	<u>2,525,667</u>	<u>1,192</u>
7950	Less: Income tax expenses (Note 6(j))	<u>78,282</u>	<u>46</u>	<u>497,025</u>	<u>235</u>
	Profit (loss)	<u>(476,000)</u>	<u>(281)</u>	<u>2,028,642</u>	<u>957</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,731)	(1)	2,300	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(346)</u>	<u>-</u>	<u>460</u>	<u>-</u>
		<u>(1,385)</u>	<u>(1)</u>	<u>1,840</u>	<u>1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(19,112)	(11)	1,099,899	520
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(19,112)</u>	<u>(11)</u>	<u>1,099,899</u>	<u>520</u>
8300	Other comprehensive income	<u>(20,497)</u>	<u>(12)</u>	<u>1,101,739</u>	<u>521</u>
	Total comprehensive income	<u>\$ (496,497)</u>	<u>(293)</u>	<u>3,130,381</u>	<u>1,478</u>
	Basic earnings per share				
	Basic earnings per share (Note 6(l))	<u>\$ (1.26)</u>		<u>6.08</u>	
	Diluted earnings per share (Note 6(l))	<u>\$ (1.26)</u>		<u>6.04</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings		
Balance at January 1, 2022	\$ 3,292,671	2,642,041	56,909	-	2,002,718	2,059,627	(1,143,073)	6,851,266
Profit (loss) for the year months ended December 31, 2022	-	-	-	-	2,028,642	2,028,642	-	2,028,642
Other comprehensive income for the year months ended December 31, 2022	-	-	-	-	1,840	1,840	1,099,899	1,101,739
Comprehensive income for the year months ended December 31, 2022	-	-	-	-	2,030,482	2,030,482	1,099,899	3,130,381
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	200,271	-	(200,271)	-	-	-
Special reserve appropriated	-	-	-	1,143,072	(1,143,072)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(658,534)	(658,534)	-	(658,534)
Capital increase by cash	400,000	400,000	-	-	-	-	-	800,000
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-
Share-based payment transactions	-	2,849	-	-	-	-	-	2,849
Balance at December 31, 2022	3,692,671	3,044,890	257,180	1,143,072	2,031,323	3,431,575	(43,174)	10,125,962
Profit (loss) for the year months ended December 31, 2023	-	-	-	-	(476,000)	(476,000)	-	(476,000)
Other comprehensive income for the year months ended December 31, 2023	-	-	-	-	(1,385)	(1,385)	(19,112)	(20,497)
for the year months ended December 31, 2023	-	-	-	-	(477,385)	(477,385)	(19,112)	(496,497)
Legal reserve	-	-	203,048	-	(203,048)	-	-	-
Special reserve	-	-	-	(1,099,898)	1,099,898	-	-	-
Cash dividends of ordinary share	-	-	-	-	(553,901)	(553,901)	-	(553,901)
Due to recognition of equity component of convertible bonds (preference share) issued	-	61,636	-	-	-	-	-	61,636
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(14,835)	(14,835)	-	(14,835)
Capital increase by cash	200,000	160,000	-	-	-	-	-	360,000
Conversion of convertible bonds	45	51	-	-	-	-	-	96
Changes in ownership interests in subsidiaries	-	(304)	-	-	-	-	-	(304)
Share-based payment transactions	-	1,511	-	-	-	-	-	1,511
	200,045	222,894	203,048	(1,099,898)	328,114	(568,736)	-	(145,797)
Balance at December 31, 2023	\$ 3,892,716	3,267,784	460,228	43,174	1,882,052	2,385,454	(62,286)	9,483,668

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (397,718)	2,525,667
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,973	1,828
Amortization expenses	1,494	1,044
Net losses on financial assets or liabilities at fair value through profit or loss	2,130	2,493
Interest expenses	19,693	16,017
Interest income	(8,025)	(865)
Dividend income	(929)	(547)
Share-based payments transactions	1,511	2,849
Shares of losses of associates and joint ventures accounted for using equity method	438,426	(2,680,836)
Gains on disposal of property, plant and equipment	(435)	89
Total adjustments to reconcile profit	455,838	(2,657,928)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(66,958)	(3,149)
Decrease (increase) in other receivable due from related parties	35	47,673
Decrease (increase) in other current assets	(2,690)	22
Changes in operating liabilities:		
Decrease in accounts payable	(19)	(41)
(Decrease) Increase in other payables	(55,791)	(6,806)
Increase (decrease) in other payable to related parties	(53,763)	11,477
Increase in other current liabilities	62	(3,194)
Decrease in net defined benefit liabilities	(1,025)	(948)
Cash inflow generated from operations	(122,029)	(87,227)
Interest received	8,025	865
Interest paid	(14,554)	(16,291)
Income taxes paid	(233,822)	(35)
Net cash flows from operating activities	(362,380)	(102,688)
Cash flows from (used in) investing activities:		
Investment in subsidiaries	(1,316,366)	(2,467,362)
Proceeds from capital reduction of investments accounted for using equity method	(35,019)	(30,000)
Acquisition of non-current assets classified as held for sale	349,415	-
Acquisition of property, plant and equipment	(1,588)	(5,988)
Proceeds from disposal of property, plant and equipment	1,381	-
Decrease in refundable deposits	(324)	20
Acquisition of intangible assets	-	(1,574)
Decrease in other financial assets	(154,815)	12,996
Dividends received	785,591	953,317
Net cash flows from investing activities	(371,725)	(1,538,591)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	62,000	(30,000)
Proceeds from issuing bonds	534,550	-
Proceeds from long-term debt	630,000	200,000
Repayments of long-term debt	(645,944)	(403,200)
Increase in other payables to related parties	337,580	92,199
Cash dividends paid	(553,901)	(658,534)
Proceeds from issuing shares	360,000	800,000
Net cash flows used in financing activities	724,285	465
Net (decrease) increase in cash and cash equivalents	(9,820)	(1,640,814)
Cash and cash equivalents at beginning of period	322,073	1,962,887
Cash and cash equivalents at end of period	\$ 312,253	322,073

See accompanying notes to parent company only financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Shih Wei Navigation Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Shih Wei Navigation Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to notes 4(n) to the consolidated financial statements for the accounting policy on revenue recognition and notes 4(r) for descriptions of revenue recognition.

As the cut-off of revenue recognition of the Group involves manual operations and is subject to judgment, and the amount of revenue is material, we considered the cut-off of revenue recognition as the key audit matter.

How the matter was addressed in our audit:

- According to the understanding of the design and implementation of the internal controls related to the rental revenue recognition, we designed the audit procedures of the existence of rental revenue to evaluated the operating effectiveness of these internal controls.
- We performed a test of details of rental revenues by inspecting the accounting records and external supporting documents to verify the correctness of sales amounts and the situation of collection.
- We performed confirmation procedures of rental agreement to verify the existence of the charterers and the sales terms.
- We execute sale cut-off tests for a certain period before and after the balance sheet date to check the correctness of the timing of the revenue recognition.

2. Impairment assessment of property, plant and equipment

Please refer to notes 4(l) to the consolidated financial statements for the accounting policy on impairment of non-financial assets.

The Group is mainly engaged in the shipping and tourism industry, wherein the shipping business is affected by the global economic situation and fierce competition within its market, creating an impact on the Group's operating performance on tourism industry to continue to suffer losses, which may result in a risk of asset impairment.

The management's subjective judgment on numerous assumptions and estimates used in the asset impairment assessment process is highly uncertain, which may lead in the estimation results to have a significant impact on the consolidated financial statement. Hence, impairment assessment has been considered as one of our key audit matters.

How the matter was addressed in our audited:

- Obtaining the impairment evaluation report of each CGU provided by the management, inspecting the accuracy of information from internal and external sources, and evaluating the management's reasonableness in identifying impairment.
- Evaluating the assumptions used by the management when conducting impairment testing, including whether the classification of CGU, cash flow forecasts, and discount rates, are appropriate, as well as checking the setting of the evaluation model calculation formula.
- Analyzing the recoverable amount using a third-party expert evaluation report, reviewing the reasonableness of relevant assumptions, and assessing the qualifications and independence of the experts.

Other Matters

Shih Wei Navigation Co., Ltd. has prepared its parent-company-only financial statements as of and for the year ended December 31, 2023, on which we have issued an unmodified opinion. Shih Wei Navigation Co., Ltd. has prepared its parent-company-only financial statements as of and for the year ended December 31, 2022, on which we have issued an unmodified opinion and other matters.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance including the Audit Committee or supervisors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Kuo-Yang and Chih, Shih-Chin.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a) and Note 6(t))	\$ 3,384,225	16	5,374,819	22	2100	Short-term borrowings (Note 6(h) and Note 6(t))	\$ 776,000	4	714,000	3
1110	Current financial assets at fair value through profit or loss (Note 6(b) and Note 6(t))	27,752	-	10,361	-	2110	Short-term notes and bills payable (Note 6(j) and Note 6(t))	100,000	-	59,952	-
1170	Accounts receivable, net (Note 6(t))	27,766	-	50,281	-	2130	Current contract liabilities (Note 6(r))	115,602	1	206,882	1
130X	Inventories	119,594	1	196,994	1	2170	Accounts payable (Note 6(t) and Note 7)	154,420	1	208,763	1
1476	Other current financial assets (Note 6(c), 6(t) and Note 8)	286,120	1	218,799	1	2200	Other payables (Note 6(t) and Note 7)	205,969	1	301,440	1
1479	Other current assets	277,000	1	229,374	1	2220	Other payables to related parties (Note 6(t) and Note 7)	66,675	-	308,748	1
		<u>4,122,457</u>	<u>19</u>	<u>6,080,628</u>	<u>25</u>	2230	Current tax liabilities	115,029	1	123,571	-
Non-current assets:						2250	Current provisions (Note 6(l) and Note 9)	49,128	-	49,136	-
1510	Non-current financial assets at fair value through profit or loss (Note 6(b) and Note 6(t))	51,000	-	-	-	2280	Current lease liabilities (Note 6(m) and Note 6(t))	3,389	-	502	-
1550	Investments accounted for using equity method (Note 6(d))	40,788	-	27,749	-	2322	Long-term borrowings, current portion (Note 6(i) and Note 6(t))	3,597,222	17	4,288,433	17
1600	Property, plant and equipment (Note 6(f) and Note 8)	16,489,518	79	18,846,015	75	2399	Other current liabilities, others	2,145	-	1,894	-
1755	Right-of-use assets (Note 6(g))	11,791	-	1,403	-			<u>5,185,579</u>	<u>25</u>	<u>6,263,321</u>	<u>24</u>
1840	Deferred tax assets (Note 6(o))	3,635	-	9,709	-	Non-Current liabilities:					
1915	Prepayments for equipment (Note 9)	232,416	1	9,288	-	2530	Bonds payable (Note 6(k) and Note 6(t))	477,974	2	-	-
1980	Other non-current financial assets (Note 6(c), 6(t) and Note 8)	148,435	1	59,525	-	2540	Long-term borrowings (Note 6(i) and Note 6(t))	5,055,984	24	7,749,697	31
1990	Other non-current assets, others (Note 6(n) and Note 7)	47,786	-	48,714	-	2570	Deferred tax liabilities (Note 6(o))	716,018	3	869,436	4
		<u>17,025,369</u>	<u>81</u>	<u>19,002,403</u>	<u>75</u>	2580	Non-current lease liabilities (Note 6(m) and Note 6(t))	8,469	-	696	-
								<u>6,258,445</u>	<u>29</u>	<u>8,619,829</u>	<u>35</u>
								<u>11,444,024</u>	<u>54</u>	<u>14,883,150</u>	<u>59</u>
						Total liabilities					
						Equity attributable to owners of parent (Note 6(p)):					
						3110	Ordinary shares	3,892,716	18	3,692,671	15
						3200	Capital surplus	3,267,784	16	3,044,890	12
						Retained earnings :					
						3310	Legal reserve	460,228	2	257,180	1
						3320	Special reserve	43,174	-	1,143,072	5
						3350	Unappropriated retained earnings (accumulated deficit)	1,882,052	9	2,031,323	8
								<u>2,385,454</u>	<u>11</u>	<u>3,431,575</u>	<u>14</u>
						3400	Other equity interests	(62,286)	-	(43,174)	-
						Total equity attributable to owners of parent:		9,483,668	45	10,125,962	41
						36XX	Non-controlling interests (Note 6(e))	220,134	1	73,919	-
						Total equity		<u>9,703,802</u>	<u>46</u>	<u>10,199,881</u>	<u>41</u>
Total assets		<u>\$ 21,147,826</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>	Total liabilities and equity		<u>\$ 21,147,826</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
	Operating Revenues (Note 6(r) and Note 7):				
4300	Rental revenue	\$ 3,225,739	93	6,470,523	96
4800	Other operating revenue	235,393	7	245,290	4
	Operating revenue, net	<u>3,461,132</u>	<u>100</u>	<u>6,715,813</u>	<u>100</u>
5000	Operating costs (Note 6(n) and Note 7)	<u>3,325,045</u>	<u>96</u>	<u>3,545,284</u>	<u>53</u>
	Gross (loss) profit from operations	<u>136,087</u>	<u>4</u>	<u>3,170,529</u>	<u>47</u>
6200	Administrative expenses (Note 6(n) and Note 6(s))	<u>303,295</u>	<u>9</u>	<u>341,786</u>	<u>5</u>
	Net operating (loss) income	<u>(167,208)</u>	<u>(5)</u>	<u>2,828,743</u>	<u>42</u>
	Non-operating income and expenses (Note 6(f)):				
7100	Interest income	184,395	5	69,282	1
7190	Other income	87,892	3	109,628	2
7225	Gains on disposals of investments	2,221	-	502	-
7230	Foreign exchange losses	23,690	1	(201,815)	(3)
7235	Losses on financial assets at fair value through profit or loss	(1,822)	-	(2,619)	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(7,145)	-	(2,251)	-
7510	Interest expense	(614,485)	(18)	(405,979)	(6)
7590	Other expenses	(14,316)	(1)	(35,649)	(1)
7610	Losses (gains) on disposals of property, plant and equipment	23,237	1	71,155	1
7673	Impairment loss recognised in profit or loss, property, plant and equipment	(10,065)	-	-	-
	Total non-operating income and expenses	<u>(326,398)</u>	<u>(9)</u>	<u>(397,746)</u>	<u>(6)</u>
	Profit (loss) from continuing operations before tax	<u>(493,606)</u>	<u>(14)</u>	<u>2,430,997</u>	<u>36</u>
7950	Less: Income tax expenses (Note 6(o))	<u>78,282</u>	<u>2</u>	<u>497,025</u>	<u>7</u>
	Profit (loss)	<u>(571,888)</u>	<u>(16)</u>	<u>1,933,972</u>	<u>29</u>
8300	Other comprehensive income :				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,731)	-	2,300	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(346)	-	460	-
		<u>(1,385)</u>	<u>-</u>	<u>1,840</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(19,112)	(1)	1,099,899	17
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(19,112)</u>	<u>(1)</u>	<u>1,099,899</u>	<u>17</u>
8300	Other comprehensive income	<u>(20,497)</u>	<u>(1)</u>	<u>1,101,739</u>	<u>17</u>
	Total comprehensive income	<u>\$ (592,385)</u>	<u>(17)</u>	<u>3,035,711</u>	<u>46</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (476,000)	(13)	2,028,642	30
8620	Non-controlling interests	(95,888)	(3)	(94,670)	(1)
		<u>\$ (571,888)</u>	<u>(16)</u>	<u>1,933,972</u>	<u>29</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (496,497)	(14)	3,130,381	47
8720	Non-controlling interests	(95,888)	(3)	(94,670)	(1)
		<u>\$ (592,385)</u>	<u>(17)</u>	<u>3,035,711</u>	<u>46</u>
	Basic (loss) earnings per share (Note 6(q))	<u>\$ (1.26)</u>		<u>6.08</u>	
	Diluted (loss) earnings per share (Note 6(q))	<u>\$ (1.26)</u>		<u>6.04</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Equity attributable to owners of parent						Total other equity interest			
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings				
Balance at January 1, 2022	\$ 3,292,671	2,642,041	56,909	-	2,002,718	2,059,627	(1,143,073)	6,851,266	168,589	7,019,855
Profit (loss)	-	-	-	-	2,028,642	2,028,642	-	2,028,642	(94,670)	1,933,972
Other comprehensive income	-	-	-	-	1,840	1,840	1,099,899	1,101,739	-	1,101,739
Total comprehensive income	-	-	-	-	2,030,482	2,030,482	1,099,899	3,130,381	(94,670)	3,035,711
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	200,271	-	(200,271)	-	-	-	-	-
Special reserve appropriated	-	-	-	1,143,072	(1,143,072)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(658,534)	(658,534)	-	(658,534)	-	(658,534)
Issue of shares	400,000	400,000	-	-	-	-	-	800,000	-	800,000
Share-based payments	-	2,849	-	-	-	-	-	2,849	-	2,849
Balance at December 31, 2022	3,692,671	3,044,890	257,180	1,143,072	2,031,323	3,431,575	(43,174)	10,125,962	73,919	10,199,881
Profit (loss)	-	-	-	-	(476,000)	(476,000)	-	(476,000)	(95,888)	(571,888)
Other comprehensive income	-	-	-	-	(1,385)	(1,385)	(19,112)	(20,497)	-	(20,497)
Total comprehensive income	-	-	-	-	(477,385)	(477,385)	(19,112)	(496,497)	(95,888)	(592,385)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	203,048	-	(203,048)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(553,901)	(553,901)	-	(553,901)	-	(553,901)
Reversal of special reserve	-	-	-	(1,099,898)	1,099,898	-	-	-	-	-
Due to recognition of equity component of convertible bonds (preference share) issued	-	61,636	-	-	-	-	-	61,636	-	61,636
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(14,835)	(14,835)	-	(14,835)	-	(14,835)
Issue of shares	200,000	160,000	-	-	-	-	-	360,000	-	360,000
Conversion of convertible bonds	45	51	-	-	-	-	-	96	-	96
Changes in ownership interests in subsidiaries	-	(304)	-	-	-	-	-	(304)	304	-
Share-based payments	-	1,511	-	-	-	-	-	1,511	-	1,511
Changes in non-controlling interests	-	-	-	-	-	-	-	-	241,799	241,799
Balance at December 31, 2023	\$ 3,892,716	3,267,784	460,228	43,174	1,882,052	2,385,454	(62,286)	9,483,668	220,134	9,703,802

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (493,606)	2,430,997
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,404,256	1,388,070
Amortization expenses	1,494	1,088
Net losses on financial assets or liabilities at fair value through profit or loss	1,822	2,619
Interest expenses	614,485	405,979
Interest income	(184,395)	(69,282)
Dividend income	(929)	(572)
Share-based payments	1,511	2,849
Shares of losses of associates and joint ventures accounted for using equity method	7,145	2,251
Losses (gains) on disposal of property, plant and equipment	(23,237)	(71,155)
Impairment loss on non-financial assets	10,065	-
Total adjustments to reconcile profit	1,832,217	1,661,847
Changes in operating assets and liabilities:		
Net gains on financial assets or liabilities at fair value through profit or loss	(69,613)	(3,331)
Decrease (increase) in accounts receivable	22,826	2,852
Decrease (increase) in inventories	78,520	(15,491)
Increase in other current assets	(55,413)	(71,883)
Increase (decrease) in contract liabilities	(91,488)	-
Increase (decrease) in accounts payable	(55,087)	36,671
Decrease in other payables	(72,219)	138,601
Decrease in other current liabilities	(545)	48,127
Decrease in net defined benefit liabilities	(1,025)	(948)
Total adjustments	1,588,173	1,796,445
Cash inflow generated from operations	1,094,567	4,227,442
Interest received	184,395	67,854
Interest paid	(633,540)	(498,583)
Income taxes paid	(233,822)	(35)
Net cash flows from operating activities	411,600	3,796,678
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(35,019)	(30,000)
Acquisition of property, plant and equipment	(180,184)	(364,291)
Proceeds from disposal of property, plant and equipment	1,177,316	207,725
Decrease (increase) in refundable deposits	(1,356)	115,472
Acquisition of intangible assets	-	(1,619)
Decrease (Increase) in other financial assets	(156,390)	22,492
Decrease (increase) in prepayments equipment	(226,452)	(8,754)
Dividends received	929	572
Net cash flows from investing activities	578,844	(58,403)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	62,000	(213,295)
Increase in short-term notes and bills payable	40,000	60,000
Proceeds from issuing bonds	534,550	-
Proceeds from long-term debt	730,000	280,010
Repayments of long-term debt	(4,159,034)	(4,320,054)
Increase (decrease) in other payables to related parties	(242,255)	109,073
Payments of lease liabilities	(616)	(594)
Cash dividends paid	(553,901)	(658,534)
Proceeds from issuing shares	360,000	800,000
Change in non-controlling interests	241,799	-
Net cash flows used in financing activities	(2,987,457)	(3,943,394)
Effects of exchange rate changes on cash and cash equivalents	6,419	497,769
Net (decrease) increase in cash and cash equivalents	(1,990,594)	292,650
Cash and cash equivalents at beginning of period	5,374,819	5,082,169
Cash and cash equivalents at end of period	\$ 3,384,225	\$ 5,374,819

See accompanying notes to consolidated financial statements.

Item 2 Proposed by the Board

Proposal: Proposal for the ratification of the 2023 deficit compensation statement.

Explanation: 1. It is proposed to reserve all appropriable earnings to meet future needs and not to allocate dividends.

2. The 2023 deficit compensation statement is provided as follows:

SHIH WEI NAVIGATION CO., LTD
2023 Deficit Compensation Statement

Unit: NT\$

Item	Amount	Remarks
Unappropriated retained earnings of prior years	2,374,272,060	
Less:		
2023 net loss after tax	(475,999,917)	
Actuarial losses on the benefit plan of the year recognized in retained earnings	(1,384,785)	
Changes in equity of associates for using equity method	(14,835,032)	
Allocation of special surplus reserve	(19,112,185)	
Distributable surplus available	1,862,940,141	
Less:		
Distribution items:		
Dividend to shareholders	-	
Unappropriated retained earnings	1,862,940,141	

Resolution:

IV. Matters for Discussion

Item 1 Proposed by the Board

Proposal: Amendment to the "Articles of Incorporation". Please proceed to discuss.

Explanation: 1. In accordance with the law, the dividend policy will be revised to maintain the soundness and stability of the financial structure, and to comply with relevant corporate governance regulations. It is proposed to amend the "Articles of Incorporation".

2. The comparison table of amended articles is as follows:

Article	After amendment	Before amendment	Explanation of the amendment
Article 19-1	The number of Independent Directors of the Company shall be no less than three. The Company adopts a nomination system for elections. Independent supervisors shall be elected from among the nominees in the shareholders' meeting. With respect to <u>seats</u> , professional qualifications, shareholdings, restrictions on taking part-time jobs, nomination, election/appointment and other compliance-related requirements for Independent Directors, the Company shall follow the relevant regulations announced by the competent authority in charge of the securities industry.	The number of Independent Directors of the Company shall be no less than three <u>and no less than one fifth of the total number of Directors</u> . The Company adopts a nomination system for elections. Independent supervisors shall be elected from among the nominees in the shareholders' meeting. With respect to professional qualifications, shareholdings, restrictions on taking part-time jobs, nomination, election/appointment and other compliance-related requirements for Independent Directors, the Company shall follow the relevant regulations announced by the competent authority in charge of the securities industry.	Comply with the law.
Article 19-2	The Company may establish functional committees such as the Audit Committee. The charter of the committees and the exercise of their powers shall be implemented after approval in a meeting of the Board of Directors. The Audit Committee shall consist of all Independent Directors.	The Company may establish functional committees such as the Audit Committee. The charter of the committees and the exercise of their powers shall be implemented after approval in a meeting of the Board of Directors. The Audit Committee shall consist of all Independent Directors, <u>and the supervisor system shall be abolished on the date the Audit Committee is established.</u>	Revised according to current situation.

Article	After amendment	Before amendment	Explanation of the amendment
Article 30	The Board is authorized to determine the <u>compensation for the directors, taking into account the extent and value of the services provided for the Company's operation and with reference to the standards of industry.</u>	The Company Directors and other <u>shareholders responsible for business execution may receive transportation allowances or salary. The Board of Directors is authorized to determine the transportation allowances or salary based on prevailing rates in the industry. The transportation allowances or salary must be paid regardless of whether the Company records a profit or a loss.</u>	Revised according to current situation.
Article 32	<p>In case the Company makes a profit in the current year (profits refer to income before tax and before the distribution of remuneration to the employees and Directors), no less than 2% shall be allocated as the employees' remuneration and no more than 5% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the surplus profit first for making up the losses.</p> <p>The aforementioned employee remuneration may be distributed in stocks or cash and the Directors' remuneration may only be distributed in cash.</p> <p>The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.</p> <p>Any <u>earnings</u> in the final accounts of the Company for the fiscal year shall be allocated to make up for cumulative losses (including adjustments for undistributed earnings) and the Company shall set aside 10% of the earnings as statutory surplus reserve. However, this requirement shall not apply if the cumulative statutory surplus reserve has reached the Company's total paid-up capital. In addition, a special reserve shall be set aside or reversed pursuant to the laws or regulations of the competent authority. <u>The</u></p>	<p>In case the Company makes a profit in the current year (profits refer to income before tax and before the distribution of remuneration to the employees and Directors), no less than 2% shall be allocated as the employees' remuneration and no more than 5% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the surplus profit first for making up the losses.</p> <p>The aforementioned employee remuneration may be distributed in stocks or cash and the Directors' remuneration may only be distributed in cash.</p> <p>The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.</p> <p>Any <u>net profit after tax</u> in the final accounts of the Company for the fiscal year shall be allocated to make up for cumulative losses (including adjustments for undistributed earnings) and the Company shall set aside 10% of the earnings as statutory surplus reserve. However, this requirement shall not apply if the cumulative statutory surplus reserve has reached the Company's total paid-up capital. In addition, a special reserve shall be set aside or reversed pursuant to the laws or regulations of the</p>	<p>Comply with the law and</p> <p>In accordance with Financial Supervisory Commission's Letter No. 1090150022.</p>

Article	After amendment	Before amendment	Explanation of the amendment
	<p><u>net deduction of other rights and interests accumulated in the previous period shall be included in the special surplus reserve of the same amount from the undistributed surplus of the previous period. If there is still insufficient, the net profit of the current period plus the net profit after tax of the current period shall be included in the current period. The amount of undistributed surplus is withdrawn.</u></p> <p>The Board of Directors shall draft an earnings distribution proposal regarding the remainder of the surplus as well as accumulated undistributed earnings at the beginning of the period (including adjusted and undistributed earnings) for approval at the shareholders' meeting to allocate dividends and bonuses to shareholders.</p> <p>The Board of Directors shall distribute the dividends, bonuses, capital reserve, and statutory surplus reserve, in part or in whole, in cash after a resolution by a majority in a meeting attended by at least two thirds of the Directors. Such resolution shall be submitted to the shareholders' meeting and the requirement for a resolution in a shareholders' meeting in the preceding paragraph shall not apply.</p>	<p>competent authority. The Board of Directors shall draft an earnings distribution proposal regarding the remainder of the surplus as well as accumulated undistributed earnings at the beginning of the period (including adjusted and undistributed earnings) for approval at the shareholders' meeting to allocate dividends and bonuses to shareholders.</p> <p>The Board of Directors shall distribute the dividends, bonuses, capital reserve, and statutory surplus reserve, in part or in whole, in cash after a resolution by a majority in a meeting attended by at least two thirds of the Directors. Such resolution shall be submitted to the shareholders' meeting and the requirement for a resolution in a shareholders' meeting in the preceding paragraph shall not apply.</p>	
Article 35	<p>The Articles of Incorporation were established on February 28, 1985.</p> <p>The 1st amendment was on March 27, 1986.</p> <p>~</p> <p>The 24rd amendment was on June 28, 2017.</p> <p>The 25rd amendment was on June 21, 2022.</p> <p><u>The 26rd amendment was on June 25, 2024.</u></p>	<p>The Articles of Incorporation were established on February 28, 1985.</p> <p>The 1st amendment was on March 27, 1986.</p> <p>~</p> <p>The 24rd amendment was on June 28, 2017.</p> <p>The 25rd amendment was on June 21, 2022.</p>	Update the date of the amendment.

Resolution:

Extraordinary Motions

Adjournment

V. Appendix

Appendix (I)

Shih Wei Navigation Co., Ltd. Articles of Incorporation

Chapter 1. General Provisions

Article 1: The Company is organized pursuant to the provisions of a company limited by shares under the Company Act. It is named "四維航業股份有限公司" and its name in English is "Shih Wei Navigation Co., Ltd.".

Article 2: The Company engages in the following businesses:

1. G401011 Shipping agency services.
2. G301011 Ship transportation.
3. F114060 Wholesale of ship and component parts.
4. F214060 Retail sale of ship and component parts thereof.
5. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

Article 3: The Company shall be exempt from the restrictions on total investment amount for not exceeding forty percent of the paid-up capital.

The Company may provide external endorsements and guarantees.

Article 4: The Company's headquarters is located in Taipei City. The Company may set up branch offices in locations and important ports in Taiwan or foreign countries as resolved by the Board of Directors, if necessary.

Article 5: Deleted.

Chapter 2. Shares

Article 6: The Company's total capital is NT\$5 billion divided into 500 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in installments if deemed necessary.

Article 7: The Company's stocks shall be registered, and signed or sealed by the Director that represents the Company. The stocks shall be issued after the required certification procedures in accordance with the law.

Stocks issued by the Company after the initial public offering are not

required to be printed.

The Company shall contact the centralized securities depository enterprise institution for registration of the share certificates issued by the Company in accordance with the preceding paragraph.

Article 8: The Company's shareholders shall administer stock-related operations in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related regulations and consult the shareholder services agent of the Company.

Article 9: Deleted.

Article 10: Deleted.

Article 11: Title transfer and registration of stocks shall be suspended within 60 days before the annual general shareholders' meeting is held, within thirty days before a shareholders' provisional meeting is held, or within 5 days before the base date for distribution of stock dividends and bonuses or other benefits determined by the Company.

Chapter 3. Shareholders' Meeting

Article 12: The company holds two types of shareholders' meetings: annual general meetings and extraordinary shareholders' meetings.

1. The annual general meeting is convened at a time no later than six months after the end of the financial year.
2. Extraordinary meetings are held whenever necessary.

Article 13: Notice of the annual general meeting shall be distributed 30 days prior to the meeting date. Notice of the extraordinary shareholders' meeting shall be distributed to shareholders 15 days in advance, which shall include the date, venue and purpose of the meeting.

Article 13-1: The Board of Directors may pass a resolution to convene the shareholders' meeting virtually or by other method announced by the central competent authority.

The operational procedures and other compliance matters shall be processed in accordance with the regulations of the competent

authority.

Article 14: Unless otherwise required by regulations, the Company's shareholders' meeting can only be convened with the attendance of shareholders who hold a majority of all issued and outstanding shares of the Company, and the resolutions must be adopted with at least a majority of the votes in attendance.

Article 15: Each shareholder of the Company shall be entitled to one vote per share. No voting power shall be granted, however, to company shares prescribed in Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights by correspondence or electronic means. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person.

Article 16: Where a shareholder cannot attend the shareholders' meeting, the shareholder may appoint a proxy according to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" established based on Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 17: If a shareholders meeting is convened by the Board of Directors, the chair shall be appointed in accordance with Article 208, paragraph 3 of the Company Act. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 18: Resolutions made during the shareholders' meeting shall be compiled into meeting minutes and processed according to Article 183 of the Company Act.

Chapter 4. Directors

Article 19: The Company shall have five to eleven Directors in the Board of

Directors which shall include at least three Independent Directors. The elections of general directors are shall be based on the candidate nomination system. Directors must be elected at the shareholders' meeting from among persons of legal capacity. The term of office shall be three years and Directors are eligible for re-election. The Company may purchase liability insurance for Directors based on a resolution of the meeting of the Board of Directors.

The total shareholding ratio of all directors shall be determined in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" established based on Article 26, paragraph 2 of the Securities and Exchange Act.

Article 19-1: The number of Independent Directors of the Company shall be no less than three and no less than one fifth of the total number of Directors. The Company adopts a nomination system for elections. Independent supervisors shall be elected from among the nominees in the shareholders' meeting. With respect to professional qualifications, shareholdings, restrictions on taking part-time jobs, nomination, election/appointment and other compliance-related requirements for Independent Directors, the Company shall follow the relevant regulations announced by the competent authority in charge of the securities industry.

Article 19-2: The Company may establish functional committees such as the Audit Committee. The charter of the committees and the exercise of their powers shall be implemented after approval in a meeting of the Board of Directors. The Audit Committee shall consist of all Independent Directors, and the supervisor system shall be abolished on the date the Audit Committee is established.

Article 20: The Board of Directors shall elect a Chairperson from among the Directors by a majority vote at a meeting attended by over two thirds of the directors.

Article 21: The Chairperson of the Board of Directors shall internally preside over the shareholders' meeting and the meeting of the Board of Directors. The Chairperson shall also shall externally represent the Company and organize all business operations.

Article 22: The powers of the Board of Directors are as follows:

1. Making decisions on business policies and plans.
2. Approval of the Articles of Incorporation.
3. Approval of the budget and final accounts.
4. Formulation of proposals on earnings distribution.
5. Appointment and dismissal of the manager and representative.
6. Guidance and supervision of business operations.
7. Other tasks required by law.

Article 23: A meeting of the Board of Directors must be convened at least once every three months.

Directors shall be notified of board meetings seven days prior to the meeting with the reason indicated. However, meetings can be held in shorter notices in case of emergency, or with the request of more than half of the Directors. Notifications of board meetings may be in writing or via fax or email.

With regard to board meetings specified in the preceding paragraph, the first meeting of the Board of Directors for each term shall be convened in accordance with Article 203 of the Company Act. All other board meetings shall be convened and chaired by the Chairperson.

Article 24: Except where otherwise provided in the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the Directors in attendance at a board meeting attended by a majority of all Directors. Resolutions shall be signed or sealed by the chair and retained at the Company. If a Director is unable to attend a meeting, he/she may appoint a proxy to attend the meeting by completing the company's proxy forms for each meeting and specifying the scope of

delegation.

Each proxy may only represent one absent director.

If a meeting of the Board of Directors is held by video conference, all Directors attending the video conference shall be deemed to have attended the meeting in person.

Chapter 5. Deleted

Article 25: Deleted.

Article 26: Deleted.

Article 27: Deleted.

Chapter 6. Managers and Employees

Article 28: The Company may appoint managers whose appointment, dismissal and remuneration shall be processed in accordance with Article 29 of the Company Act.

The Company may appoint a President, Chief Executive Officer, Deputy Chief Executive Officer, and a number of consultants based on resolutions of board meeting.

Article 29: Deleted.

Article 30: The Company Directors and other shareholders responsible for business execution may receive transportation allowances or salary. The Board of Directors is authorized to determine the transportation allowances or salary based on prevailing rates in the industry. The transportation allowances or salary must be paid regardless of whether the Company records a profit or a loss.

Article 30-1: Deleted.

Chapter 7. Accounting

Article 31: At the end of each fiscal year, the Board of Directors shall review the accounts submitted by the finance department and prepare the following documents, which shall be delivered to the Audit Committee for review 30 days before a general shareholders' meeting is convened. The Audit Committee may also appoint a CPA to perform the audit and file a report

to the shareholders' meeting for ratification.

1. Business reports.
2. Financial statements.
3. Proposals for distribution of earnings or make-up of deficit.

Article 32: In case the Company makes a profit in the current year (profits refer to income before tax and before the distribution of remuneration to the employees and Directors), no less than 2% shall be allocated as the employees' remuneration and no more than 5% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the surplus profit first for making up the losses.

The aforementioned employee remuneration may be distributed in stocks or cash and the Directors' remuneration may only be distributed in cash. The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

Any net profit after tax in the final accounts of the Company for the fiscal year shall be allocated to make up for cumulative losses (including adjustments for undistributed earnings) and the Company shall set aside 10% of the earnings as statutory surplus reserve. However, this requirement shall not apply if the cumulative statutory surplus reserve has reached the Company's total paid-up capital. In addition, a special reserve shall be set aside or reversed pursuant to the laws or regulations of the competent authority. The Board of Directors shall draft an earnings distribution proposal regarding the remainder of the surplus as well as accumulated undistributed earnings at the beginning of the period (including adjusted and undistributed earnings) for approval at the shareholders' meeting to allocate dividends and bonuses to shareholders. The Board of Directors shall distribute the dividends, bonuses, capital reserve, and statutory surplus reserve, in part or in whole, in cash after a resolution by a majority in a meeting attended by at least two thirds of

the Directors. Such resolution shall be submitted to the shareholders' meeting and the requirement for a resolution in a shareholders' meeting in the preceding paragraph shall not apply.

Article 32-1: In response to the competition in the sea freight market, the Company's dividend distribution policy shall be focused on maintaining the soundness of the Company's long-term financial and the growth and expansion of future operations. The Company shall prioritize the retention of funding necessary for operations and expansion before distributing the remaining earnings in the form of cash dividends or stock dividends. Cash dividends shall not be lower than 10% of total dividends.

Chapter 8. Appendices

Article 33: The organizational regulations and enforcement rules of the Company shall be established separately by the Board of Directors.

The establishment and amendment of the Articles of Incorporation shall require a resolution passed by the shareholders' meeting in accordance with Article 277 of the Company Act.

Article 34: Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant regulations.

Article 35: The Articles of Incorporation were established on February 28, 1985.

The 1st amendment was on March 27, 1986.

The 2nd amendment was on December 10, 1986.

The 3rd amendment was on March 14, 1992.

The 4th amendment was on February 25, 1993.

The 5th amendment was on January 1, 1994.

The 6th amendment was on March 1, 1994.

The 7th amendment was on June 20, 1994.

The 8th amendment was on November 25, 1996.

The 9th amendment was on May 19, 1997.

The 10th amendment was on April 30, 1998.

The 11th amendment was on July 3, 2000.
The 12th amendment was on June 14, 2001.
The 13th amendment was on June 25, 2002.
The 14th amendment was on June 24, 2003.
The 15th amendment was on May 28, 2004.
The 16th amendment was on April 26, 2005.
The 17th amendment was on June 23, 2006.
The 18th amendment was on June 27, 2007.
The 19th amendment was on June 19, 2009.
The 20th amendment was on June 18, 2010.
The 21st amendment was on June 28, 2012.
The 22nd amendment was on June 11, 2014.
The 23rd amendment was on June 28, 2016.
The 24rd amendment was on June 28, 2017.
The 25rd amendment was on June 21, 2022.

Appendix (II)

Shih Wei Navigation Co., Ltd. Rules of Procedure for Shareholder Meetings

Passed in the general shareholders' meeting on May 19, 1997

The 1st amendment was on June 25, 2002

The 2nd amendment was on April 26, 2005.

The 3rd amendment was on June 24, 2020.

The 4th amendment was on Aug 26, 2021

The 5th amendment was on Jun 21, 2022

The 6th amendment was on Jun 28, 2023

Article 1. To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

The hosting of video conference shareholders' meetings by the Company shall be regulated otherwise in Regulations Governing the Administration of Shareholder Services of Public Companies, clearly stated in the Articles of Incorporation, and approved by the Board of Directors. The video conference shareholders' meeting shall also be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

Changes to the method for convening the shareholders' meeting of the Company shall require a resolution of the Board of Directors, and the change must be implemented

before the meeting notices are sent.

This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) 30 days before the date of a general shareholders' meeting or 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the General Shareholders' Meeting or 15 days before the date of the special shareholders' meeting. However, in the case that this Company's has a paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the General Shareholders' Meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the General Shareholders' Meeting is to be held. In addition, 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

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

Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, Paragraph 1 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as special motions.

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

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit proposals for urging the Company to promote public interests or fulfill its social responsibilities. The procedures shall be based on related regulations in Article 172-1 of the Company Act. Each shareholder may only submit one proposal. If a shareholder submits more than one proposal, the proposal shall not be included in the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this

Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

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

Article 4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

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

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting virtually or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation

notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5. Shareholders' meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9 AM or later than 3 PM.

Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders' meeting.

Article 6. This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

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

Attending shareholders may hand in a sign-in card in lieu of signing in.

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

When the government or a juristic person is a shareholder, it may be represented by

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

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders' meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article6-1 To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected shareholders' meeting by video conference shall not attend the postponed or resumed session.
 - (III) In case of a shareholders' meeting with video conferencing, when the video conferencing cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video conferencing, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the meeting by video conferencing shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the meeting by video conferencing shall be deemed abstaining from voting on all proposals on meeting agenda of that

shareholders' meeting.

(IV) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. In addition to the conditions stated in Article 44, Paragraph 9, Item 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be specified.

Article 7. If the shareholders' meeting is convened by the board, the Chairperson of the board shall preside over the meeting. If the Chairperson is unable to perform his duties due to leave of absence or for any other reason, the Chairperson shall designate a Director to act on the Chairperson's behalf. Where the Chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

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

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

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

Article 8. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

Where a shareholders' meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Without the approval of this Corporation, shareholders may not record or reproduce, publish, transmit, or disseminate the audio or video files through other methods.

Article 9. Attendance at shareholders' meetings shall be calculated based on numbers of shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and announce related information including the number of shares without voting rights and the

number of shares in attendance at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

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

Article 10. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on

the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12. Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

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

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a

poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

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

When this Corporation convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders'

meeting online, except for extraordinary motions, they may not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as Directors and the numbers of votes they received.

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

Article 15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual

meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 16. On the day of a shareholders' meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a virtual shareholders' meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards.

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

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

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

Article 18. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

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

Article 19. In the event of a virtual shareholders' meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.

Article 20. When this Corporation convenes a virtual-only shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 21. In the event of a virtual shareholders' meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public

Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from

voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the second half of Article 12, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22. When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. In addition to the conditions stated in Article 44, Paragraph 9, Item 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be specified.

Article 23. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix (III)

Status of Holdings of Directors

(Shareholding on the book closure date of the annual general shareholders' meeting of the current year: April 27, 2024)

Position	Name or title	Number of shares held on the book closure date	Shareholding ratio
Chairwoman	Luo Pan Investment Corp. Institutional shareholder representative: Lan, Shin-Chyi	32,910,027	8.45%
Directors	Luo Pan Investment Corp. Institutional shareholder representative: Lan, Shin-Ying	32,910,027	8.45%
Directors	Kuo, Chen-Yu	58,316	0.02%
Independent Directors	Chang, Tsang-Yao	0	0%
Independent Director	Ding, Yun-Kai	0	0%
Independent Director	Chou, Chen-Shing	0	0%
Independent Director	Shann, Shu-Jiun	0	0%
Total directors' shareholdings		32,968,343	8.47%

Note:

- I. The shareholding ratio in this table is calculated based on the Company's total number of outstanding shares, i.e., 389,271,614 shares, as of the book closure date for the annual general shareholders' meeting hits year.
- II. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the mandatory amount of shares held by all Directors is 15,570,864 shares. The Company has established an Audit Committee and therefore the minimum legal required amount of shares held by supervisors does not apply.

Appendix (IV)

Impact on Business Performance and EPS Resulting from Non-remunerative Share Allotment in the Resolution this Year

Not Applicable.