

SHIH WEI NAVIGATION CO., LTD.

Minutes of the 2024 Annual General Shareholders' Meeting

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

Meeting type : Video-conferencing assisted shareholders meeting

(physical shareholders meeting supported by video conferencing)

Venue: Conference Room 208-209, Primasia Conference & Business Center

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

Virtual meeting platform: Taiwan Depository & Clearing Corporation Stockvote Platform

(website: <https://www.stockvote.com.tw/>)

Total shares represented by shareholders presented in person or by proxy: The number of shares represented by shareholders and proxies present at the meeting was 215,834,536 (including 12,451,995 shares represented by shareholders participating in the meeting through electronic and video means of communication), accounting for 55.44% of a total of 389,271,614 issued shares

Chairwomen: Lan, Shin-Chyi

Recorder: Lai, Liang-Yu

Directors present: Chairwomen Lan, Shin-Chyi, Kuo, Chen-Yu

Independent Director : Chou, Chen-Shing, Chang, Tsang-Yao, Shann, Shu-Jiun, Ding, Yun-Kai

Attendees: Chih, Shih-Chin (Accountant)

I. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairwomen called the meeting to order.

II. Chairwomen's Address (omitted)

III. Reports Items

(I) 2023 Business Report (Noted)

(see Attachment I)

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

(see Attachment II)

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

(IV) Report on remuneration paid during 2023 to directors (Noted)

(see Attachment IV)

IV. 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.
(see Attachment I to Attachment III).

Voting Results:

The total votes represented by attending ordinary shareholders was 215,834,536. (Including 12,451,995 shares represented by shareholders participating in the meeting through electronic and video means of communication.)

Voting Results*		% of the total represented share present
Votes in favor:	210,993,846 votes (7,651,618 votes)	97.75%
Votes against:	70,405 votes (70,405 votes)	0.03%
Votes invalid:	0 vote (0 vote)	0.00%
Votes abstained:	4,770,285 votes (4,729,972 votes)	2.21%

* including votes exercised by electronic and video means of communication
(numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 2 Proposed by the Board

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

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

II. 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	

Voting Results:

The total votes represented by attending ordinary shareholders was 215,834,536. (Including 12,451,995 shares represented by shareholders participating in the meeting through electronic and video means of communication.)

Voting Results*		% of the total represented share present
Votes in favor:	211,312,512 votes (7,970,284 votes)	97.9%
Votes against:	104,910 votes (104,910 votes)	0.04%
Votes invalid:	0 vote (0 vote)	0.00%
Votes abstained:	4,417,114 votes (4,376,201 votes)	2.04%

* including votes exercised by electronic and video means of communication
(numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Matters for Discussion

Item 1 Proposed by the Board

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

Explanation: I. 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".

II. The comparison table of amended articles is as Attachment V.

Voting Results:

The total votes represented by attending ordinary shareholders was 215,834,536. (Including 12,451,995 shares represented by shareholders participating in the meeting through electronic and video means of communication.)

Voting Results*		% of the total represented share present
Votes in favor:	211,169,179 votes (7,826,951 votes)	97.83%
Votes against:	67,273 votes (67,273 votes)	0.03%
Votes invalid:	0 vote (0 vote)	0.00%
Votes abstained:	4,598,084 votes (4,557,771 votes)	2.13%

* including votes exercised by electronic and video means of communication
(numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Extraordinary Motions : None.

There was no question raised by shareholders at this shareholders meeting.

VII. Adjournment

*The English version is the translation of the Chinese version and if there is any conflict between the meaning of terms in the Chinese version and English translation, the meaning of the Chinese version shall prevail.

Attachment 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 Houthi, 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

Attachment 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



安侯建業聯合會計師事務所
KPMG

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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>

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 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>

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 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	136,087	4	3,170,529	47
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	<u>1,832,217</u>	<u>1,661,847</u>
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	<u>1,588,173</u>	<u>1,796,445</u>
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	<u>411,600</u>	<u>3,796,678</u>
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	<u>578,844</u>	<u>(58,403)</u>
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	<u>(2,987,457)</u>	<u>(3,943,394)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>6,419</u>	<u>497,769</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,990,594)</u>	<u>292,650</u>
Cash and cash equivalents at beginning of period	<u>5,374,819</u>	<u>5,082,169</u>
Cash and cash equivalents at end of period	<u><u>\$ 3,384,225</u></u>	<u><u>5,374,819</u></u>

See accompanying notes to consolidated financial statements.

Attachment 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	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	None
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
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
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
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
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
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
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

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.

Attachment V

Shih Wei Navigation Co., Ltd. Amendment to the "Articles of Incorporation"

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 30	<u>The Board is authorized to determine the 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>	<u>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.</u>	Revised according to current situation.

Article	After amendment	Before amendment	Explanation of the amendment
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. 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 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> The Board of Directors shall draft an earnings distribution proposal regarding the remainder of the surplus as well</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 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</p>	<p>Comply with the law and In accordance with Financial Supervisory Commission's Letter No. 1090150022.</p>

Article	After amendment	Before amendment	Explanation of the amendment
	<p>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>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.