

Stock Code: 2605

Sincere Navigation Corporation

Shareholders Meeting of 2025

Handbook

June 10, 2025

Handbook Website: <https://mops.twse.com.tw>
<https://www.snc.com.tw>

For the convenience of readers and information purpose only, this English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese version, the Chinese version shall prevail.

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Sincere Navigation Corporation Agenda of the 2025 Annual Shareholders Meeting

Time: 09:00 a.m., June 10, 2025 (Tuesday)

Means of Shareholders' Meeting: Physical

Venue: Howard Plaza Hotel, B2 Level Banquet Hall; No.160, Sec. 3, Ren Ai Road, Taipei City

Agenda

- I. Opening of the Meeting (Report Total Shares Represented by Shareholders Present)
- II. Chairman's Address
- III. Reports
 1. Annual Business and Financial Report of 2024.
 2. Audit Committee's Review Report.
 3. Report on the Distribution of Remuneration to Directors and Employees in 2024.
 4. Report on the Distribution of Cash Dividends from Earnings of 2024.
 5. Other Reports.
- IV. Proposals
 1. Adoption of the Company's Annual Business Report and Financial Statement of 2024.
 2. Adoption of the Company's Annual Earnings Distribution Table of 2024.
- V. Discussions

Proposal to amend the Company's Articles of Incorporation
- VI. Elections

Election of the Company's 20th Board of Directors
- VII. Other Motions

Proposals for Release the Prohibition on Directors from Participation in Competitive Business
- VIII. Extempore Motions
- IX. Adjournment of the Meeting

Reports

I. Business and Financial Reports

Sincere Navigation Corporation Business Report

1. Foreword

Reflecting on 2024, “status quo” would not be an accurate way to describe the environment in which we, the shipping industry, has been operating. We are facing a rise in the demand for decarbonizing the world fleet, and at the same time, we are operating in a world of rising geopolitical tensions and risks. Despite the global supply chain challenges in 2024 shipping markets across all major segments in dry and wet markets had a good year. The dry bulk market exceeded expectations in 2024, particularly for Capesize vessels, which as per Clarksons saw a 76% year-on-year increase to average \$21,862/day (for 2010 built Capesize). Chinese demand for iron ore, bauxite and coal were the main driving factors. The tanker market softened slightly year-on-year, with Q4 weaker than anticipated due to subdued global oil demand, mainly from China, resulting in flat seaborne oil trade volumes at 3.1bn tonnes. However, tanker earnings were still well above the ten-year average.

As per IMF global GDP growth in 2024 remained below the historical average of 3.7%, reaching 3.2%, but slightly up from 2.8% in the previous year. China's strong push from manufacturing and exports and a record trade surplus of nearly \$1 trillion by year-end, led to a GDP increase from 4.6% in Q3 to 4.8% in Q4, as per IMF. However, this still fell short of the 5% target set by the Chinese government. In December 2024 Central Economic Work Conference, China indicated a shift in its macroeconomic strategy, focusing less on rescuing the construction sector and local governments, and more on boosting spending and consumer confidence through a controlled monetary policy. Tariffs and efforts to reduce the trade imbalance with China and Europe are likely to top the list of priorities for the Trump administration. Europe, however, is expected to experience slow growth, with GDP projected to grow at 1.0% for 2025, amid political instability and rising energy prices. India's economic performance, particularly in the second half of 2024, fell short of expectations. The country saw only modest growth in dry bulk imports (+4

million tonnes year-on-year) due to the impacts of a prolonged election process and monsoon season on industrial activity. According to IMF India's GDP growth reached 6.5% in 2024, down from an earlier forecast of 7%. High inflation and interest rates pose challenges to India's growth in 2025, especially in urban areas, though rising incomes in rural areas, aided by a recovery in agriculture, should help maintain GDP growth at 6.5%. The IMF forecasts the following GDP growth estimates in key economic regions:

- China: 2025 Forecast: 4.6%
- India: 2025 Forecast: 6.5%
- North America: 2025 Forecast: 2.1%
- Western Europe: 2025 Forecast: 1.3%

Despite the economic growth, challenges persist. The lingering effects of the Russo-Ukrainian War, global inflation, and extreme weather events continue to disrupt trade flows, and there is heightened uncertainty surrounding global supply chains. Nevertheless, the market in 2024 showed signs of gradual recovery, with freight rates stabilizing compared to the highs seen during the pandemic's peak. Freight rates for dry bulk carriers in the first quarter of 2024 were 15-20% higher compared to the same period in 2023, due to tonnage supply tightness, in addition to increase ton miles due to the dislocation and logistic inefficiencies driven by geopolitical uncertainty continued to be a major theme.

While the growth rate of global dry bulk trade remains subdued towards end of 2024, several emerging economies have increased their share of raw material exports, partially offsetting the slowdown in trade between major developed economies. Asia, particularly China and India, has continued to drive global bulk demand. However, the volatile political environment, as well as fluctuating commodity prices, keeps the market in a state of uncertainty.

On the supply side global dry bulk fleet grew by approximately 3.2%, slightly up from 2023. The Capesize/Newcastlemax fleet year-on-year growth was only 1.9% and Panamax/Kamsarmax fleet year-on-year growth was 3%.

Looking ahead at the Orderbook to Existing Fleet Ratios (in DWT terms):

Total Dry Bulk Fleet: 10.0%

VLOC: 3.7%

Capesize/Newcastlemax: 7.3%

Panamax/Kamsarmax: 11.5%

Total dry bulk fleet growth estimates:

2025: About 3.0%

2026: About 2.0%

As for the tanker markets, at the start of 2024, the global shipping industry was optimistic, with expectations of strong oil demand growth, particularly from China and East of Suez. Meanwhile, OPEC's production cuts were expected to be counterbalanced by increased output from non-OPEC suppliers in the Atlantic Basin. The easing of Venezuelan sanctions also reshaped the market, re-integrating previously sanctioned trades, while geopolitical disruptions caused delays. These factors pointed to a rise in tonne-miles and vessel demand, especially for West-to-East trade routes. However, the reality of 2024 did not fully meet these expectations.

Throughout 2024, global oil demand growth was revised downward closely following reduced growth forecasts for China. China's oil demand, a key driver of tanker markets, led to two significant effects on the VLCC sector: slower-than-expected demand growth and increased reliance on sanctioned oil. Around 2.7 million bpd of China's seaborne imports came from sanctioned countries, including large volumes of Iranian crude, with Russian crude also rerouted, bypassing the VLCC market in favour of smaller tankers. This resulted in a diversion of about 20 VLCC fixtures per month. However, signs of recovery emerged in November, as Chinese refiners began sourcing more non-sanctioned oil. In 2024, vessel demand fluctuated, with a dip in September and October followed by a recovery in November. Overall, spot market demand was 5% lower than in 2023.

Looking to 2025, global oil demand growth is forecast at 1.1 to 1.4 million bpd, aligning with long-term averages, indicating that while 2024 was challenging, the demand outlook remains steady. OPEC+ remains a major influence, with plans to reintroduce 2.2 million bpd of voluntary production cuts starting in April 2025, which could add demand equivalent to 55 VLCCs. Throughout 2024, while OPEC+ maintained voluntary cuts, non-OPEC production growth, particularly in the Atlantic Basin, remained strong but fell short of expectations due to slower growth in Brazil and lower-than-expected U.S. exports. As China reduced its draw from the Atlantic Basin, exports stayed within the West of Suez region, leading to shorter voyages and lower tonne-mile demand. Projections for 2025 indicate non-OPEC production growth of 1.1 to 1.7 million bpd, which could stimulate significant West-to-East oil flows and boost VLCC demand.

The VLCC supply side remains fundamentally positive due to:

A historically low orderbook with only 80 vessels (8% of the trading fleet)

An average fleet age of 12 years, with over 100 vessels now over 20 years old

The number of vessels exceeding 20 years is expected to double in the next four years, making up 21% of the trading fleet.

With just 80 newbuilds in the pipeline, the effective fleet size is expected to decrease as older vessels become less efficient, suggesting strong medium-term fundamentals for the VLCC market.

While 2024 was marked by political transitions with elections in many countries, 2025 is expected to bring more uncertainty surrounding trade and fiscal policies. The extent of tariffs and interest rate cuts remains uncertain. After a period of low trade instability and growing momentum on interest rate cuts, trade policy uncertainty, as measured by the IMF, has reached its highest levels since Trump's first term, while fiscal policy uncertainty is at its highest point since the onset of the COVID-19 pandemic.

2. 2024 Financial Results

In 2024, the Company had a fleet of 15 vessels, including 3 very large crude carriers (VLCC) and 12 dry bulk carriers of various tonnages (including 1 very large ore carrier (VLOC), 7 Capesize carriers, and 4 Kamsarmax carriers). We sold one of our ageing Capesize carriers and replaced her with a 10-year-old Capesize, with a 2.5-year fixed rate charter attached.

Consolidated revenue was (including discontinued operations) NTD 4,543,801,516 in 2024 a 6.45% increase from 2023. Net profit attributable to parent company shareholders was NTD 1,498,523,223, with EPS of NTD 2.56.

3. 2025 Operating Plans

As we enter 2025, the company will maintain a cautious approach to asset management and cash flow generation while focusing on the following operational goals and strategies:

- Maintain strict control over service quality and costs, leveraging technology to reduce operating expenses for vessels, dry docking, procurement, and other overheads, while executing contracts with care and responsibility.

- Closely monitor and analyse data, trends, and dynamics in the global shipping market, selecting high-quality clients and adopting flexible strategies for short, medium, or long-term spot and period contracts to optimize fleet utilization and profitability.
- Keep monitoring Carbon Intensity Indicator – CII of each vessel in fleet and stay informed about advancements in marine technologies, including evaluating the feasibility of alternative fuels, lower carbon biofuels, upgrading to low-friction anti-fouling paint, installing wind-assisted propulsion, and other energy-saving solutions.
- Continue identifying opportunities to sell older vessels at the right time, replacing them with newer ones, and gradually expanding and modernizing the fleet.
- Invest in staff development, fostering stronger relationships between crew members and the company through training workshops, seminars, and shore-side employee education.
- European Union Emissions Trading System (EU ETS) rules came into effect as from 1st January 2024. In preparation to comply with the requirements of EU ETS, the company has applied to open MOHA accounts with the Netherlands Administering Authority. EU ETS Charterparty clauses were added to our charterparties to ensure EUAs are collected from charterers and passed on to the Administrative Authority (AA) in a timely manner. The FuelEU Maritime Regulation is a new set of rules that aims to reduce greenhouse gas emissions from ships in the European Union. The regulation came into effect on January 1, 2025, and the company is working with charterers on insertion of appropriate clauses in the Charterparties to ensure compliance for voyages in and out of EU Ports.

Throughout the fluctuating cycles of prosperity, recession, and recovery in the shipping industry, the company has navigated through downturns by leveraging its experience and resources. By focusing on both increasing profits and reducing costs, we aim to turn challenges into opportunities and drive more efficient operations.

4. Market Variables and Impact

The push for energy conservation and carbon emission reductions in 2025 is expected to accelerate the decommissioning of older vessels, leading to a continued tightness in global bulk shipping supply. New bulk carrier deliveries in 2025 are projected to account for roughly 3% of total fleet capacity (with Capesize vessels seeing a more modest 1.5% increase). The rising rate of vessel scrapping will further contribute to the expected strong supply side fundamentals of the dry bulk shipping market. However, it remains uncertain whether the long-term shift towards net-zero emissions will lead to a decline in coal cargo volumes.

The shipping industry is currently grappling with several challenges, including fluctuating shipping markets and increasing pressure to reduce environmental pollution. Key areas of focus include new energy efficiency regulations, such as the IMO's Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), which came into effect in January 2023. Additionally, the European Union's "Fit for 55" green deal will integrate shipping into the EU Emissions Trading System (EU ETS) starting in January 2024, along with the FuelEU Maritime regulations, which take effect in January 2025.

A continued unrest in the Middle East will dictate the impact of shipping lanes through the Red Sea versus around the Cape of Good Hope, which was seen in 2024. If there is a prolonged ceasefire, there will be a gradual return of traffic through the Suez Canal, therefore effecting rates of smaller ship segments versus Capesize vessels and VLCCs. US President Trump declared a raft of tariffs on various US imports from various countries within days of coming back into the Oval office. Some affected countries announced retaliatory tariffs on US imports. How many more tariffs will be imposed by whom and on whom appears to be the biggest unknown factor that could disrupt trade flows in an unpredictable manner in 2025 and beyond. Looking at the tariffs announced so far we do not expect a significant impact on the larger dry bulk vessels i.e. VLOC and Capesize vessels which largely serve the Australian/China or Brazil/China or West Africa/China trade routes. If the imposed tariffs lead to a trade war between US and China, grain supply may affect the Kamsarmax market, but only on the margins as China has already moved its importing source to South America (Brazil and Argentina).

Geopolitical events typically have a positive correlation with oil tanker earnings. We anticipate that the tanker market will benefit from the recent tariff announcements made by the Trump administration against China, as China has and will continue to diversify its source of crude with other nations, resulting in longer ton miles. Furthermore, any tariffs placed on the European Union (EU) would significantly disrupt Trans-Atlantic trade, resulting again in increased tonne-mile demand. The geopolitical unrest around the world will continue to disrupt the supply and demand of shipping, and we will continue to monitor this situation to be ready for all opportunities that may arise from the dislocation of energy and commodities.

5. Future Developments and Strategies

The company will continue its strategy of getting period cover on 60% of ship days, with the remaining 40% of ship days available to take advantage of any upturns in the spot market. By locking long period covers we cover the downside risk of the market and ensuring fixed rate revenues. We will continue our strategy of having a diversified fleet structure which helps us reduce risks that come with exposure to a single market. Our customers like the reliability of our ships and the professionalism of our crew and ship management. We will continue to leverage on this and further build our relationships with our customers to gain more fixed term business and work with them on projects of mutual interest. We will continue to invest in proven technology to further enhance the performance of our ships to improve our GHG and CII ratings, in order make our ships even more attractive to our customers for long term business.

6. Conclusion

Even in the face of unpredictable economic cycles brought about by a changing geopolitical landscape Sincere Navigation Corporation will continue its steadfast focus on maximizing shareholder returns by maintaining customer trust and continuous improvement of our service quality. We will seek opportunities of collaboration and growth that come up in challenging markets and act on them decisively, with prudence and integrity. We will continue to invest in the maintenance of our ships, the training of our crew and shore staff to meet the demands of new international safety regulations and environmental standards. We are confident in our ability to navigate and make success of the challenges that lie ahead.

Sincere Navigation Corporation

Chairman Hsu, Chi-Kao

President Hsu, Chi-Kao

Accounting Officer Fan, Hsiao-Ting

II. Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 financial statements including consolidated financial statements and individual financial statements which were audited by CPAs and Lin, Yi-Fan and Liao, Fu-Ming of PricewaterhouseCoopers, Taiwan. The statements, Business Report, and earnings distribution proposal were reviewed and determined to be accurate by the Audit Committee. The Review Report is therefore prepared in accordance with the Securities and Exchange Act and the Company Act and filed for your perusal.

Sincerely,

Shareholders Meeting of 2025

Sincere Navigation Corporation

Audit Committee Convener: Lee, Yen-Sung

March 12, 2025

III. Report on the Distribution of Remuneration to Directors and Employees in 2024

The Company's proposal for the distribution of compensation for Directors and employees for 2024 was approved by the Board on March 12, 2025. In accordance with Article 30 of the Articles of Incorporation, 2.01% of the pre-tax profit was distributed to the Directors and employees respectively. The Directors received NT\$31,958,745, while employees (including managers) received compensation of NT\$31,958,745.

IV. Report on the Distribution of Cash Dividends from Earnings of 2024

- (I) The earnings distribution is adopted by the Board in accordance with Article 240, Paragraph 5 of the Company Act and Article 30 of the Company's Articles of Incorporation. A total of NT\$760,959,287 in cash dividends is distributed and NT\$1.30 is distributed for each share.
- (II) The cash dividends are calculated pursuant to the distribution ratio and rounded down to the whole dollar amounts; the fractional amounts less than NT\$1 shall be aggregated and recorded as other income of the Company.
- (III) In the event that the number of shares outstanding is affected by changes in the Company's share capital, making it necessary to revise the shareholder's cash dividend rate as a result, the Chairman is authorized to handle such revision at his full discretion.
- (IV) The Board of Directors is authorized to set a dividend reference date and issuance date.

V. Other Reports

The acceptance period for shareholders' proposals and nomination for Directors (including Independent Directors) was from March 28, 2025 to April 7, 2025. This is to certify that, by the deadline, shareholders had not put forward any proposals or nomination for Directors.

Proposals

I. Subject: Adoption of the Company's Annual Business Report and Financial Statements of 2024 (proposed by the Board).

Explanation:

1. The Company's Annual Business Report and Financial Statements of 2024 including consolidated financial statements and individual financial statements (including the balance sheets, comprehensive income statements, statements of changes in equity, and cash flow statements) have been audited by CPAs Lin, Yi-Fan and Liao, Fu-Ming of PricewaterhouseCoopers, Taiwan. They have also been reviewed by the Audit Committee which found them to be compliant with regulations and adopted by the Board. They are hereby filed for ratification in accordance with the laws.
2. Please refer to pages 2-8 and pages 14-36 of the Handbook for the aforementioned Business Report, Auditor's Report, and Financial Statements.

Resolution:

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying consolidated balance sheets of Sincere Navigation Corporation and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at December 31, 2024 and 2023, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 consolidated financial statements is as follows:

Impairment of vessels and equipment

Description

Refer to Notes 4(14), 5(2) and 6(5) for the accounting policy, accounting estimates and assumptions applied on impairment of property, plant and equipment and related impairment explanation.

The Group engages in bulk and crude oil shipping service. Vessels are the Group's significant operating assets. Bulk shipping service is closely related with the demand for bulk commodities, and significantly affected by the global economy. Therefore, the impairment of vessels is the Group's material risk. The impairment is assessed by the management by comparing the book value to the recoverable amount based on the analysis of industry dynamics and the Group's operating plan. As at December 31, 2024, vessel equipment amounted to NT\$15,042,741 thousand, constituting 67% of total assets.

The main assumptions adopted in measuring the recoverable amount are subject to management's judgement, which include the estimation of residual value, useful life, future freight rate and the rate used to discount projected future cash flows. The results of accounting estimates have a significant effect in determining the recoverable amount. Therefore, we considered the impairment of vessels and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the information that management used to assess whether there was any indication that the assets were impaired. Inspected the accuracy of the information which was obtained from internal and external sources, and assessed the reasonableness of the assessment result.
2. Obtained the valuation information used by management in determining the recoverable amount. Discussed the operating plan with management about the income and expenses that may occur in the future and reviewed performance conditions of previous operating plan to assess management's performance intention and ability. Obtained the subsequent information within a certain period to compare with the original plan.
3. Compared the discount rate used in the valuation model with the rate of return on assets of similar assets in the market, and checked the assumptions used in calculating the weighted average cost of capital (WACC) with actual proportion of equity capital, industrial risk coefficient and market risk premium.
4. Checked the parameters and the formula used in the valuation model.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Sincere Navigation Corporation as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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.

Lin, Yi-Fan

Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,098,099	14	\$ 1,974,107	9
1136	Current financial assets at amortised cost	6(2) and 8	3,274,331	15	2,420,256	12
1140	Current contract assets	6(13)	-	-	52,497	-
1170	Accounts receivable		467,769	2	508,107	3
1200	Other receivables		185,081	1	182,750	1
1220	Current tax assets		-	-	1,238	-
130X	Bunker inventories		50,991	-	70,386	-
1410	Prepayments		39,111	-	31,051	-
1470	Other current assets	8	66,448	-	148,766	1
11XX	Total current assets		7,181,830	32	5,389,158	26
Non-current assets						
1535	Non-current financial assets at amortised cost	6(2)	-	-	1,438,585	7
1600	Property, plant and equipment	6(3)(8) and 8	15,149,327	68	14,247,980	67
1755	Right-of-use assets	6(4)	9,007	-	15,143	-
1840	Deferred income tax assets	6(20)	7,126	-	7,745	-
1900	Other non-current assets	8	17,282	-	17,064	-
15XX	Total non-current assets		15,182,742	68	15,726,517	74
1XXX	Total assets		\$ 22,364,572	100	\$ 21,115,675	100

(Continued)

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and equity			December 31, 2024		December 31, 2023	
Notes			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(7)	\$ 3,315,000	15	\$ 3,055,000	15
2130	Current contract liabilities	6(13)	45,541	-	52,939	-
2200	Other payables	6(9)	283,138	1	410,391	2
2220	Other payables - related party	7	48,762	-	68,532	1
2230	Current income tax liabilities		27,815	-	48,287	-
2280	Current lease liabilities		4,712	-	5,965	-
2320	Long-term liabilities, current portion	6(8)	137,718	1	271,783	1
21XX	Total current liabilities		3,862,686	17	3,912,897	19
Non-current liabilities						
2540	Long-term borrowings	6(8)	206,577	1	1,286,365	6
2580	Non-current lease liabilities		4,812	-	9,463	-
2600	Other non-current liabilities	6(9)	33,551	-	21,092	-
25XX	Total non-current liabilities		244,940	1	1,316,920	6
2XXX	Total liabilities		4,107,626	18	5,229,817	25
Equity attributable to owners of parent						
	Share capital	6(10)				
3110	Common stock		5,853,533	26	5,853,533	28
	Capital surplus	6(11)				
3200	Capital surplus		165,576	1	165,592	1
	Retained earnings	6(12)				
3310	Legal reserve		3,320,041	15	3,276,282	15
3320	Special reserve		904,748	4	898,413	4
3350	Unappropriated retained earnings		7,609,188	34	6,596,786	31
	Other equity interest					
3400	Other equity interest		403,860	2	(904,748)	(4)
3XXX	Total equity		18,256,946	82	15,885,858	75
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 22,364,572	100	\$ 21,115,675	100

The accompanying notes are an integral part of these consolidated financial statements.

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(13) and 7	\$ 4,412,174	100	\$ 4,028,659	100
5000	Operating costs	6(18)(19) and 7	(3,082,587)	(70)	(3,334,823)	(83)
5900	Net operating margin		1,329,587	30	693,836	17
	Operating expenses	6(18)(19) and 7				
6200	General and administrative expenses		(345,084)	(8)	(268,681)	(7)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(2,964)	-	(3,824)	-
6000	Total operating expenses		(348,048)	(8)	(272,505)	(7)
6900	Operating profit		981,539	22	421,331	10
	Non-operating income and expenses					
7100	Interest income	6(14)	240,390	6	222,922	5
7010	Other income	6(15)	10,132	-	476	-
7020	Other gains and losses	6(16)	(11,996)	-	(47,564)	(1)
7050	Finance costs	6(17)	(92,815)	(2)	(96,061)	(2)
7000	Total non-operating income and expenses		145,711	4	79,773	2
7900	Profit before income tax		1,127,250	26	501,104	12
7950	Income tax expense	6(20)	(28,949)	(1)	(50,312)	(1)
8000	Profit for the year from continuing operations		1,098,301	25	450,792	11
8100	Profit for the year from discontinued operations	6(6)	400,708	9	72,440	2
8200	Profit for the year		\$ 1,499,009	34	\$ 523,232	13
	Other comprehensive income					
8311	Actuarial gain (loss) on defined benefit plans	6(9)	\$ 3,128	-	(\$ 8,382)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	(626)	-	1,676	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,308,608	30	34,082	1
8300	Total other comprehensive income for the year		\$ 1,311,110	30	\$ 27,376	1
8500	Total comprehensive income for the year		\$ 2,810,119	64	\$ 550,608	14
	Profit attributable to:					
8610	Owners of the parent		\$ 1,499,009	34	\$ 444,298	11
8620	Non-controlling interest		-	-	78,934	2
			\$ 1,499,009	34	\$ 523,232	13
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 2,810,119	64	\$ 431,257	11
8720	Non-controlling interest		-	-	119,351	3
			\$ 2,810,119	64	\$ 550,608	14
	Basic earnings per share	6(21)				
9710	Basic earnings per share from continuing operations		\$	1.88	\$	0.68
9720	Basic earnings per share from discontinued operations			0.68		0.08
9750	Total basic earnings per share		\$	2.56	\$	0.76
	Diluted earnings per share	6(21)				
9810	Diluted earnings per share from continuing operations		\$	1.88	\$	0.68
9820	Diluted earnings per share from discontinued operations			0.68		0.08
9850	Total diluted earnings per share		\$	2.56	\$	0.76

The accompanying notes are an integral part of these consolidated financial statements.

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent										
		Capital Reserves				Retained Earnings			Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
		Share capital - common stock	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired	Others	Legal reserve	Special reserve	Unappropriated retained earnings				
Notes												
<u>For the year ended December 31, 2023</u>												
		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 5,203	\$ 3,256,327	\$ 2,684,372	\$ 4,685,867	(\$ 898,413)	\$ 15,825,471	\$ 1,644,021	\$ 17,469,492
		-	-	-	-	-	-	444,298	-	444,298	78,934	523,232
		-	-	-	-	-	-	(6,706)	(6,335)	(13,041)	40,417	27,376
		-	-	-	-	-	-	437,592	(6,335)	431,257	119,351	550,608
Appropriations of 2022 earnings:	6(12)											
Legal reserve		-	-	-	-	19,955	-	(19,955)	-	-	-	-
Special reserve		-	-	-	-	-	(1,785,959)	1,785,959	-	-	-	-
Cash dividends		-	-	-	-	-	-	(292,677)	-	(292,677)	(30,390)	(323,067)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	(1,811,728)	(1,811,728)
Overdue unclaimed cash dividends		-	-	-	553	-	-	-	-	553	-	553
Difference between consideration and carrying amount of subsidiaries acquired		-	-	(78,746)	-	-	-	-	-	(78,746)	78,746	-
Balance at December 31, 2023		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,756	\$ 3,276,282	\$ 898,413	\$ 6,596,786	(\$ 904,748)	\$ 15,885,858	\$ -	\$ 15,885,858
<u>For the year ended December 31, 2024</u>												
		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,756	\$ 3,276,282	\$ 898,413	\$ 6,596,786	(\$ 904,748)	\$ 15,885,858	\$ -	\$ 15,885,858
		-	-	-	-	-	-	1,499,009	-	1,499,009	-	1,499,009
		-	-	-	-	-	-	2,502	1,308,608	1,311,110	-	1,311,110
		-	-	-	-	-	-	1,501,511	1,308,608	2,810,119	-	2,810,119
Appropriations of 2023 earnings:	6(12)											
Legal reserve		-	-	-	-	43,759	-	(43,759)	-	-	-	-
Special reserve		-	-	-	-	-	6,335	(6,335)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(439,015)	-	(439,015)	-	(439,015)
Claiming overdue unclaimed cash dividends		-	-	-	(16)	-	-	-	-	(16)	-	(16)
Balance at December 31, 2024		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,740	\$ 3,320,041	\$ 904,748	\$ 7,609,188	\$ 403,860	\$ 18,256,946	\$ -	\$ 18,256,946

The accompanying notes are an integral part of these consolidated financial statements.

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the years ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		\$ 1,127,250	\$ 501,104
Profit from discontinued operations before tax	6(6)	400,708	72,440
Profit before tax		1,527,958	573,544
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(18)	1,566,144	1,435,269
Amortisaton	6(18)	548	134
Impairment loss determined in accordance with IFRS 9	12(2)	2,964	3,850
Interest income		(368,547)	(358,499)
Interest expense		131,179	175,465
Gain on disposal of property, plant and equipment		(282,022)	(144,469)
Impairment loss recognised in profit or loss, property, plant and equipment	6(5)	-	71,645
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		52,497	(362)
Accounts receivable		37,311	126,962
Other receviables		(3,308)	(128,362)
Bunker inventories		19,395	61,331
Prepayments		(8,060)	12,205
Changes in operating liabilities			
Current contract liabilities		(7,398)	13,479
Other payables		(37,446)	70,706
Other payables - related parties		(19,770)	54,579
Accrued pension liabilities		15,587	297
Cash inflow generated from operations		2,627,032	1,967,774
Interest received		370,286	350,779
Income tax paid		(49,556)	(7,530)
Income tax refund		1,294	-
Net cash flows from operating activities		2,949,056	2,311,023

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in financial assets at amortised cost		(\$	810,240)	(\$	1,793,628)
Collection of principal of financial assets at amortised cost			53,489		121,263
Decrease (increase) in other current assets			82,318 (		13,735)
Acquisition of property, plant and equipment	6(23)	(	1,983,053 )	(	1,354,718)
Proceeds from disposal of property, plant and equipment			683,571		434,662
Acquisition of intangible assets			- (		1,489)
Decrease (increase) in refundable deposits			381 (		852)
Early redemption of financial assets at amortised cost			1,601,509		-
Net cash flows used in investing activities		(	372,025 )	(	2,608,497)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term loans	6(24)		260,000		1,460,000
Repayment of principal of lease liability	6(24)	(	6,123 )	(	5,933)
Repayment of long-term borrowings	6(24)	(	1,292,026 )	(	739,034)
Cash payment of interest		(	139,445 )	(	177,970)
Cash dividends paid	6(12)	(	439,015 )	(	323,067)
(Claiming) overdue unclaimed cash dividends		(	16)		553
Net cash flow from acquisition of subsidiaries	6(22)		-	(	1,811,728)
Net cash flows used in financing activities		(	1,616,625 )	(	1,597,179)
Effect of changes in foreign exchange rate			163,586		74,263
Net increase (decrease) in cash and cash equivalents			1,123,992	(	1,820,390)
Cash and cash equivalents at beginning of year			1,974,107		3,794,497
Cash and cash equivalents at end of year		\$	3,098,099	\$	1,974,107

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Sincere Navigation Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Sincere Navigation Corporation (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, 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 parent company only 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Company's 2024 parent company only financial statements is as follows:

Reasonableness of investments accounted for using equity method — subsidiaries' impairment of vessels and equipment

Description

As of December 31, 2024, the Company's subsidiaries recorded as investments accounted for using equity method amounted to NT\$21,547,157 thousand, constituting 97% of the Company's total assets, while the share of profit of the investments constituted 109% of the Company's profit before tax for the year then ended. Given that the investments significantly affect the Company's financial performance, we considered the impairment of vessels and equipment as a key audit matter.

For accounting policy, accounting estimates and assumptions applied on impairment of property, plant and equipment and related impairment explanation, refer to Notes 4(11) and 5(2) of parent company only financial statements and Notes 4(14), 5(2) and 6(5) of consolidated financial statements.

The Group engages in bulk shipping service. Vessels are the Company's significant operating assets. Bulk shipping service is closely related with the demand for bulk commodities, and is significantly affected by the global economy. Therefore, the impairment of vessels is the Company's material risk. The impairment is assessed by the management by comparing the book value to the recoverable amount based on the analysis of industry dynamics and the Company's operating plan. As at December 31, 2024, the Group's vessel equipment amounted to NT\$15,042,741 thousand, constituting 67% of total assets.

The main assumptions adopted in measuring the recoverable amount are subject to management's judgement, which include the estimation of residual value, useful life, future freight rate and the rate used to discount projected future cash flows. The results of accounting estimates have a significant effect on evaluating the recoverable amount. Therefore, we considered the impairment of vessels and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the information that management used to assess whether there was an indication that the assets were impaired. Inspected the accuracy of the information which was obtained from internal and external sources, and assessed the reasonableness of the assessment result.
2. Obtained the valuation information used by management in determining the recoverable amount. Discussed the operating plan with management about the income and expenses that may occur in the future and reviewed performance conditions of previous operating plan to assess management's performance intention and ability. Obtained subsequent information within a certain period and compared with the original plan.
3. Compared the discount rate used in the valuation model with the rate of return on assets of similar assets in the market, and checked the assumptions used in calculating the weighted average cost of capital (WACC) with actual proportion of equity capital, industrial risk coefficient and market risk premium.
4. Checked the parameters and the formula used in the valuation model.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company only 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 parent company only 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.

Lin, Yi-Fan

Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 56,829	-	\$ 59,515	-
1199	Finance lease receivable due from related parties, net	6(4) and 7	33,156	-	30,614	-
1200	Other receivables		184	-	502	-
1210	Other receivables - related parties	7	361	-	1,636	-
1220	Current income tax assets		-	-	1,238	-
1410	Prepayments		2,884	-	1,679	-
11XX	Total current assets		93,414	-	95,184	-
Non-current assets						
1550	Investments accounted for under equity method	6(2)	21,547,157	97	18,862,002	97
1600	Property, plant and equipment	6(3)(5) and 8	101,365	1	103,205	1
1780	Intangible assets		953	-	1,501	-
1840	Deferred income tax assets	6(17)	7,126	-	7,745	-
1900	Other non-current assets	6(4), 7 and 8	480,932	2	481,916	2
15XX	Total non-current assets		22,137,533	100	19,456,369	100
1XXX	Total assets		\$ 22,230,947	100	\$ 19,551,553	100

(Continued)

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity			December 31, 2024		December 31, 2023				
			Notes	AMOUNT	%	AMOUNT	%		
Current liabilities									
2100	Short-term borrowings	6(5) and 8	\$	3,315,000	15	\$	3,055,000	16	
2130	Current contract liabilities	6(10)		76	-		-	-	
2200	Other payables			72,160	-		28,304	-	
2220	Other payables - related parties	7		111	-		155	-	
2230	Current income tax liabilities			24,314	-		48,287	-	
21XX	Total current liabilities			3,411,661	15		3,131,746	16	
Non-current liabilities									
2620	Long-term notes and accounts payable - related parties	7		543,986	3		512,857	3	
2640	Net defined benefit liability, non-current	6(6)		18,354	-		21,092	-	
25XX	Total non-current liabilities			562,340	3		533,949	3	
2XXX	Total liabilities			3,974,001	18		3,665,695	19	
Equity									
	Share capital	6(7)							
3110	Common stock			5,853,533	26		5,853,533	30	
	Capital surplus	6(8)							
3200	Capital surplus			165,576	1		165,592	1	
	Retained earnings	6(9)							
3310	Legal reserve			3,320,041	15		3,276,282	17	
3320	Special reserve			904,748	4		898,413	4	
3350	Unappropriated retained earnings			7,609,188	34		6,596,786	34	
	Other equity interest								
3400	Other equity interest			403,860	2	(904,748)	(5)
3XXX	Total equity			18,256,946	82		15,885,858	81	
	Significant contingent liabilities and unrecognised contractual commitments	9							
	Significant events after the balance sheet date	11							
3X2X	Total liabilities and equity		\$	22,230,947	100	\$	19,551,553	100	

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(10) and 7		\$ 70,678	100	\$ 60,956	100
5000 Operating costs		(	5)	-	(9)	-
5900 Net operating profit			70,673	100	60,947	100
Operating expenses	6(15)(16) and 7					
6200 General and administrative expenses		(	161,128)	(228)	(108,866)	(179)
6900 Operating loss		(	90,455)	(128)	(47,919)	(79)
Non-operating income and expenses						
7100 Interest income	6(11)		11,004	16	11,808	19
7010 Other income	6(12) and 7		561	1	1,768	3
7020 Other gains and losses	6(13)		3,036	4	(13,130)	(21)
7050 Finance costs	6(14)	(	60,802)	(86)	(45,100)	(74)
7070 Share of profit of associates and joint ventures accounted for using equity method, net	6(2)		1,660,845	2350	587,155	963
7000 Total non-operating income and expenses			1,614,644	2285	542,501	890
7900 Profit before income tax			1,524,189	2157	494,582	811
7950 Income tax expense	6(17)	(	25,180)	(36)	(50,284)	(82)
8200 Profit for the year		\$	1,499,009	2121	\$ 444,298	729
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Actuarial gain (loss) on defined benefit plan	6(6)	\$	3,128	4	(\$ 8,382)	(14)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(17)	(	626)	(1)	1,676	3
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations			1,308,608	1852	(6,335)	(11)
8500 Total comprehensive income for the year		\$	2,810,119	3976	\$ 431,257	707
Earnings per share						
9750 Basic earnings per share (in dollars)	6(18)	\$	2.56		\$ 0.76	
9850 Diluted earnings per share (in dollars)	6(18)	\$	2.56		\$ 0.76	

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Capital Reserves			Retained Earnings				
				Difference between consideration and carrying amount of subsidiaries acquired	Capital surplus, others			Financial statements translation differences of foreign operations	
	Notes	Share capital - common stock	Treasury stock transactions			Legal reserve	Special reserve	Unappropriated retained earnings	Total equity
For the year ended December 31, 2023									
Balance at January 1, 2023		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 5,203	\$ 3,256,327	\$ 2,684,372	\$ 4,685,867	(\$ 898,413) \$ 15,825,471
Profit for the year		-	-	-	-	-	-	444,298	- 444,298
Other comprehensive loss		-	-	-	-	-	-	(6,706)	(6,335) (13,041)
Total comprehensive income (loss)		-	-	-	-	-	-	437,592	(6,335) 431,257
Appropriations of 2022 earnings:	6(9)								
Legal reserve		-	-	-	-	19,955	-	(19,955)	- -
Special reserve		-	-	-	-	-	(1,785,959)	1,785,959	- -
Cash dividends		-	-	-	-	-	-	(292,677)	- (292,677)
Overdue unclaimed cash dividends		-	-	-	553	-	-	-	- 553
Difference between consideration and carrying amount of subsidiaries acquired		-	-	(78,746)	-	-	-	-	- (78,746)
Balance at December 31, 2023		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,756	\$ 3,276,282	\$ 898,413	\$ 6,596,786	(\$ 904,748) \$ 15,885,858
For the year ended December 31, 2024									
Balance at January 1, 2024		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,756	\$ 3,276,282	\$ 898,413	\$ 6,596,786	(\$ 904,748) \$ 15,885,858
Profit for the year		-	-	-	-	-	-	1,499,009	- 1,499,009
Other comprehensive income		-	-	-	-	-	-	2,502	1,308,608 1,311,110
Total comprehensive income		-	-	-	-	-	-	1,501,511	1,308,608 2,810,119
Appropriations of 2023 earnings:	6(9)								
Legal reserve		-	-	-	-	43,759	-	(43,759)	- -
Special reserve		-	-	-	-	-	6,335	(6,335)	- -
Cash dividends		-	-	-	-	-	-	(439,015)	- (439,015)
Claiming overdue unclaimed cash dividends		-	-	-	(16)	-	-	-	- (16)
Balance at December 31, 2024		\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,740	\$ 3,320,041	\$ 904,748	\$ 7,609,188	\$ 403,860 \$ 18,256,946

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the years ended December 31,	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,524,189	\$ 494,582
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(15)	2,004	1,591
Amortisation	6(15)	548	134
Interest income from bank deposits	6(11)	(2,228)	(2,491)
Interest income from finance lease	6(4)(11)	(8,776)	(9,317)
Interest expense	6(14)	60,802	45,100
Investment income accounted for using the equity method	6(2)	(1,660,845)	(587,155)
Loss on disposal of property, plant and equipment	6(3)(13)	-	36
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		-	10,212
Other receivables		17	4
Other receivables - related party		1,275	516
Prepayments		(1,205)	(330)
Changes in operating liabilities			
Current contract liabilities		76	-
Other payables		45,381	6,618
Other payables - related party		(44)	(10,467)
Accrued pension liabilities		390	297
Cash outflow generated from operations		(38,416)	(50,670)
Interest received		2,529	2,410
Income tax paid		(49,166)	(226)
Income tax refund		1,244	-
Dividends received	7	284,298	-
Net cash flows from (used in) operating activities		200,489	(48,486)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(3)	(176)	(2,348)
Proceeds from disposal of property, plant and equipment		12	-
Acquisition of intangible assets		-	(1,489)
Net cash flows used in investing activities		(164)	(3,837)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(19)	260,000	1,460,000
Finance lease received		39,570	39,462
Interest paid		(62,327)	(43,014)
Cash dividends paid	6(9)	(439,015)	(292,677)
(Claiming) overdue unclaimed cash dividends		(16)	553
Decrease in loan from related party	6(19)	(3,554)	(1,174,369)
Net cash flows used in financing activities		(205,342)	(10,045)
Effect of changes in foreign exchange rate		2,331	(2,000)
Net decrease in cash and cash equivalents		(2,686)	(64,368)
Cash and cash equivalents at beginning of year		59,515	123,883
Cash and cash equivalents at end of year		\$ 56,829	\$ 59,515

The accompanying notes are an integral part of these parent company only financial statements.

II. Subject: Adoption of the Company's Annual Earnings Distribution Table of 2024 (proposed by the Board).

Explanation:

1. The Company's 2024 earnings distribution has been adopted by the Board in accordance with the Company Act and the Articles of Incorporation for review.
2. The proposed Annual Earnings Distribution Table is as follows:

Resolution:

Sincere Navigation Corporation
Annual Earnings Distribution Table of 2024

Unit: NT\$

Summary	Amount	
	Subtotal	Total
Distributable Earnings:		
Unappropriated Retained Earnings at the beginning of the period		
Unappropriated Retained Earnings prior to 1997	359,266,989	
Unappropriated Retained Earnings after 1998	5,748,410,716	6,107,677,705
Plus: Net profit after tax this year		1,499,009,053
Plus: Retained earnings adjustment this year		2,502,034
Minus: Legal reserve		(150,151,109)
Plus: Special reserve		904,748,201
Total distributable earnings		8,363,785,884
Distribution:		
Cash dividends of NT\$1.30 per share		(760,959,287)
Retained earnings after distribution:		7,602,826,597

Chairman: Hsu, Chi-Kao

President: Hsu, Chi-Kao

Accounting Officer: Fan, Hsiao-Ting

Discussions

Subject: Proposal to amend the Company's Articles of Incorporation.
Please proceed to discuss (proposed by the Board).

Explanation: Pursuant to Financial Supervisory Committee's Order Jin-Guan-Zheng-Fa No.1130385442 of November 8, 2024, the Company hereby proposes to amend the Company's Articles of Incorporation. Please refer to page 39 for details.

Resolution:

Articles of Incorporation of Sincere Navigation Corporation
Amendment Comparison Table

Article	After the Amendment	Before the Amendment	Reasons for Amendment
Article 30	After a decision agreed on by a majority of the Directors present at the Board Meeting representing at least two-thirds of the Company's Directors, no less than 1%, <u>and no less than 0.3% of the pre-tax profit of the current year is allocated as remuneration to the basic employees,</u> but no more than 5% of the Company's annual pre-tax benefits (the profits before deduction of remunerations of employees and Directors) must be distributed to the Company's employees, and this must be reported to the Shareholders Meeting. However, if the Company still has accumulated losses, an amount must be retained first to make up for those losses.	After a decision agreed on by a majority of the Directors present at the Board Meeting representing at least two-thirds of the Company's Directors, no less than 1% but no more than 5% of the Company's annual pre-tax benefits (the profits before deduction of remunerations of employees and Directors) must be distributed to the Company's employees, and this must be reported to the Shareholders Meeting. However, if the Company still has accumulated losses, an amount must be retained first to make up for those losses.	Pursuant to Financial Supervisory Commission's Order (Jin-Guan-Zheng-Fa) No. 1130385442 of November 8, 2024.
Article 33	The Articles of Incorporation were adopted on October 24, 1967, (...). The 35th amendment was adopted on June 28, 2019. The 36th amendment was adopted on June 10, 2022. <u>The 37th amendment was adopted on June 10, 2025.</u>	The Articles of Incorporation were adopted on October 24, 1967, (...). <u>The 34th amendment was adopted on June 29, 2016.</u> The 35th amendment was adopted on June 28, 2019. The 36th amendment was adopted on June 10, 2022.	The date of amendment to the Articles of Incorporation is added.

Elections

Subject: Election of the Company's 20th Board of Directors (proposed by the Board).

Explanation:

1. The term of office of the Company's directors expires on June 9, 2025. Pursuant to Article 16 of the Company's Articles of Incorporation, elections must be held for a new Board. The Board's proposal is to elect three (3) Directors and four (4) Independent Directors to form the 20th Board of Directors with their term of office for three years, starting on June 10, 2025 and end on June 9, 2028.
2. Based on Article 192-1 of the Company Act, a candidate's nomination system is adopted by the Company for election of the directors ; the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The education and career background, and other information of candidates are as following:

List of Candidates for the Directors (including Independent Directors) for the 20th Board

Title	Name	Shares Held	Major Education and Career Background	Explanation
Director	HSU, CHI-KAO	515,000	<ul style="list-style-type: none">● B.S., Biology and Economy, Claremont McKenna College● Vice Chairman of Sincere Navigation Corporation● Chairman of Sincere Navigation Corporation	None
Director	He Mao Investment Corporation	58,060,800	N/A	Account Name: CTBC Bank Co., Ltd in custody for He Mao Investment

				Corporation
Director	Solar Shipping Agency Ltd	18,363,398	N/A	Account Name: CTBC Bank Co., Ltd in custody for Solar Shipping Agency Co., Ltd.
Independent Director	LEE, YEN-SUNG	0	<ul style="list-style-type: none"> ● Master, Accounting, Soochow University ● Deputy Chairman of PwC Taiwan ● Chairman of Taipei CPA Association ● Director of Accounting Research and Development Foundation ● Director of Taiwan Accountant Association ● Vice Chairman of the National Federation of CPA Associations of the R.O.C. ● Supervisors Convener of the Real Estate Agents Transaction Guaranty Foundation ● Advisor of the Real Estate Agents Transaction Guaranty Foundation ● Independent Director of FamilyMart, Charoen Pokphand Enterprise (Taiwan) Co., Ltd., Chicony Electronics Co., Ltd., Qunguang Electronics Co., Ltd., and Sincere Navigation Corporation 	Reason for nomination of independent directors for more than three terms: Mr. Lee has an excellent accounting professional background and rich practical experience, and is familiar with relevant laws and regulations. Considering that the Company still needs to rely on his expertise and provide oversight of the Board's operations, he continues to be nominated as the Company's Independent Director.
Independent	KOO,	0	<ul style="list-style-type: none"> ● BS., Business Administration, 	None

Director	TSE-HAU		<p>Boston University</p> <ul style="list-style-type: none"> ● Chairman of HKMPB Promotion and External Relations Committee, Member of Manpower Development Committee ● Chairman of ClassNK Hong Kong Committee ● Executive committee member of INTERTANKO, the International Association of Independent Tanker Owners ● Board of Directors of NorthStandard P&I Association ● Chairman of VTC Maritime Services Training Institute Committee ● Chairman of Hong Kong Shipowners Association ● Executive Director of Valles Steamship Company Limited ● Independent Director of Sincere Navigation Corporation 	
Independent Director	TSENG, KUO-CHENG	0	<ul style="list-style-type: none"> ● Master, Naval Architecture, National Taiwan University ● President of CSBC Corporation, Taiwan ● Advisor of Ship and Ocean Industries R&D Center (SOIC) ● Advisor of Metal Industries Research & Development Center 	None

			<ul style="list-style-type: none"> ● Adjunct Professor Rank Specialist at National Cheng Kung University ● Adjunct Associate Professor of Professional and Technical Personnel at National Kaohsiung University of Science and Technology ● Chairman and President of High Tien Offshore Co., Ltd. ● Chairman of the Maritime Engineering Joint Promotion Association, R.O.C. ● Chairman of CSBC-DEME Wind Engineering Co. , Ltd. ● Independent Director of IOVTEC Co., Ltd. ● Independent Director of Sincere Navigation Corporation 	
Independent Director	WEN, FANG-YU	0	<ul style="list-style-type: none"> ● Master, Accounting, National Taiwan University ● Partner CPA of PwC Taiwan ● Chief CPA of Risk and Quality Control, PwC Taiwan ● Advisor of Financial Accounting Issues Task Force, Accounting Research and Development Foundation ● CPA, Wen Fang-Yu CPA Firm ● Independent Director of Orient Semiconductor Electronics, Ltd. 	None

Election results:

Other Motions

Subject: Proposal for Release the Prohibition on Directors from Participation in Competitive Business (proposed by the Board).

Explanation: 1. Pursuant to Article 209, Paragraph 1 of the Company Act, which states that “a director who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. Because the new directors of the Company may have invested in or operated other companies with the same or similar business scope as the Company and served as directors or managers, pursuant to Article 209 of the Company Act, we request the shareholders’ meeting to approve the release of the non-competition restrictions on the new directors of the Company and their representatives.

Director Candidate of the 19th Board

List of Release the Prohibition on Director from Participation in Competitive Business

Title	Name	Serving as Director in Other Companies with Similar Business
Director	HSU, CHI-KAO	Asia Century Navigation Co., Ltd., Director Diamonds Ocean Limited, Director World Sea Navigation Limited, Director
Independent Director	KOO, TSE-HAU	Valles Steamship Company Limited, Director

Resolution:

Extempore Motions

Adjournment of the meeting

Rules of Procedure for Shareholders Meeting

August 24, 2021

Amended by the Shareholders Meeting

- I. The Shareholders Meeting of the Company must be proceeded in accordance with the Rules of Procedure for Shareholders Meeting, unless otherwise provided in laws or regulations.
- II. The Company shall provide an attendance log to record attendance of shareholders in attendance; alternatively, attendance cards may be presented to signify their presence at the meeting. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- III. The attendance and voting of the Shareholders Meeting are based on the shares represented.
- IV. The venue where the Shareholders Meeting is convened must be at the place where the Company is located or another location which is convenient for the shareholders and suitable for a Shareholders Meeting. The meeting must start no earlier than 09:00 hours and no later than 15:00 hours.
- V. If a Shareholders Meeting is convened by the Board, the Chairman chairs the Shareholders Meeting. If the Chairman is on leave or unable to exercise his/her powers, the Deputy Chairman replaces him/her. Alternatively, if the Deputy is on leave or unable to exercise his/her powers, a person designated by the Chairman replaces him/her. If the Chairman has not designated a person to replace himself/herself, the Directors will designate a replacement from their midst. If a Shareholders Meeting is convened by a qualified convener other than the Board, the Shareholders Meeting is chaired by the person convening the Shareholders Meeting.

- VI. The Company may designate lawyers, accountants, or related personnel to attend the Shareholders Meeting. The staff organizing the Shareholders Meeting must wear an identifying card or armband.
- VII. The Company must make sound or audio recordings of the entire proceedings of the Shareholders Meeting and keep it for at least one year.
- VIII. To commence the meeting, the Chairman announces the meeting opened, and the same time announced the relevant information such as the number of non-voting rights and the number of shares present. However, if the shareholders present represent less than half of the shares (the quorum), the Chairman may announce a postponement of the meeting. The meeting may be postponed no more than twice, each postponement no more than one hour. If after the second postponement, the number of shares represented at the meeting still falls short of the quorum but amounts to more than one-third of the shares, a tentative resolution may be passed pursuant to Article 175 of the Company Act. If before adjournment of the meeting, the number of shares represented reaches the quorum after all, the Chairman may propose a tentative resolution to reconvene the meeting at a later date to be voted on by the shareholders present in accordance with Article 174 of the Company Act.
- IX. If the Shareholders Meeting is convened by the Board, its Agenda is determined by the Board. The meeting must be conducted in accordance with the scheduled Agenda, which cannot be changed without a resolution of the Shareholders Meeting. If the Shareholders Meeting is convened by a qualified convener other than the Board, the provisions of the preceding paragraph apply. The Chairman cannot adjourn the meeting until the entire Agenda referred to in the preceding two paragraphs (including extempore motions) has been dealt with completely. After the adjournment of the meeting, the shareholders cannot elect a new meeting chairman or continue the meeting at the original venue or elsewhere. However, if the Chairman has declared adjournment in violation of the Rules, a majority of the shareholders present may elect a new chairman for the meeting and continue the meeting.
- X. To speak in the meeting, shareholders must complete speaking request form stating their key point, shareholder name, and shareholder number, and the meeting chairman will determine the speaking order.

Shareholders present that have completed a speaking request form but have not spoken are deemed to have not spoken. If the content of the shareholder's remarks is different from the speaking request form, the content of the remarks prevails. When shareholder is speaking, other shareholders must not interfere with the speech except with the consent of the meeting chairman and the speaking shareholder. The meeting chairman must stop violators.

- XI. Each shareholder cannot not speak more than twice and for no more than five minutes per agenda item, unless the meeting chairman gives consent.

If a shareholder speaks in violation of the preceding paragraph or strays from the scope of the agenda item, the meeting chairman may order or prevent him/her from speaking.

- XII. A legal person may only dispatch one representative to the Shareholders Meeting.

When a shareholding legal person dispatches two or more representatives to attend the Shareholders Meeting, the same motion may only be proposed by one person.

- XIII. After a shareholder has spoken, the meeting chairman must reply in person or designate a relevant person to reply.

- XIV. When during the discussion of a motion, the meeting chairman deems the motion is ready to be put to a vote, he/she may order the discussion to be ceased and proceed to voting.

- XV. The meeting chairman designates personnel to observe the voting process and to count the votes. The voting observer must be a shareholder. The voting results must be announced on the spot and recorded in the minutes.

- XVI. During the meeting, the meeting chairman may announce a break at his/her discretion.

- XVII. Motions are voted on and are considered adopted when a majority shareholders present vote in favor, unless the Company Act or the Company's Articles of Incorporation provide otherwise.

- XVIII. When there is an amendment or an alternative to the same motion, the meeting chairman places them together with the original motion on the voting list and determines their voting sequence. As soon as one of the motions has been adopted, the other motions are deemed to have been rejected and no further votes will be required.

- XIX. The meeting chairman may direct the proctors (or security staff) to help maintain the order of the venue. While maintaining order in the meeting, all proctors or security staff must wear arm bands with the word "Proctor".

- XX. These Rules take effect after adoption by the Shareholders Meeting. The same applies to amendments.

Articles of Incorporation of Sincere Navigation Corporation

Chapter 1 General Principles

- Article 1. The Company is organized in accordance with the provisions of the Company Act. The Company's Chinese name is “新興航運股份有限公司” and its English name is “Sincere Navigation Corporation”.
- Article 2. The Company's business scope:
- I. Deleted.
 - II. G406041 Harbor barging.
 - III. G401011 Shipping agency services.
 - IV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company locate its head office in Taipei City. If necessary, the Board of Directors (“Board”) may resolve to establish branch offices or other branch organizations at home or abroad, and may also resolve to terminate or relocate those entities.
- Article 4. The Company's reinvestments external investment in other businesses is not subject to the 40% restriction on the transfer of investment in Article 13 of the Company Act, and must be handled after the resolution of the Board.

Chapter 2 Shares

- Article 5. The Company's total capital is NT\$7 billion, divided into 700 million shares of NT\$10 each, which may be issued in separate installments.
- Article 6. The shares issued by the Company are registered and numbered, and the Director represents the Company must affix his/her signature or seal on them. The shares are issued after registration and approval by the competent authority or an institution authorized by it to register and approve share issuances. The shares need not be printed, as long as they are registered with the Taiwan Depository and Clearing Corporation.

- Article 7. The Company's share-related matters are governed by the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies, unless other laws and decrees or regulations of the competent authority take precedence.
- Article 8. (Deleted).
- Article 9. (Deleted).
- Article 10. Shares cannot be transferred from sixty (60) days before a General Shareholders Meeting, thirty (30) days before an Extraordinary Shareholders Meeting, or five (5) days before the day when the Company determine the distribution of dividends, bonuses, and other benefits.
- Article 10-1. (Deleted).

Chapter 3 Shareholders Meeting

- Article 11. The Shareholders Meetings of the Company is divided into the following two types:
- I. General Shareholders Meetings are convened once a year within six months after the end of the fiscal year, and the shareholders are notified thirty (30) days beforehand.
 - II. Extraordinary Shareholders Meetings are convened as necessary, and the shareholders are notified fifteen (15) days in advance.
- The Shareholders Meeting must be convened by the Board, unless the Company Act provides otherwise.
- The Company allows voting by electronic methods, as long as the methods comply with the regulations set by the competent authority.
- Article 11-1. The shareholders' meeting can be held by means of visual communication or other methods promulgated by the Ministry of Economic Affairs.
- Article 12. When a shareholder is unable to attend a Shareholders Meeting for any reason, he/she may issue a power of attorney bearing the company seal and stating the scope of the proxy's authority. However, the voting rights of a person authorized by more than two shareholders at the same time must not exceed three percent (3%) of the total voting rights of issued shares. Voting rights in excess of this limit are not counted.
- Shareholders' attendance by proxy is regulated by the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority in charge of the securities industry, unless the Company Act provides otherwise.

- Article 13. When a Shareholders Meeting is held, the Chairman of the Board will chair the meeting. If the Chairman is on leave or unable to exercise his/her powers, the Deputy Chairman replaces him/her. Alternatively, if the Deputy is on leave or unable to exercise his/her powers, a person designated by the Chairman replaces him/her. If the Chairman has not designated a person to replace himself/herself, the Directors will designate a replacement from their midst.
- Article 14. Each shareholder of the Company has one vote per share. Shares with restricted voting rights or without voting rights do not fall under this restriction pursuant to the Company Act.
- Article 15. Resolutions of the Shareholders Meeting are passed when a majority of shares issued are represented at the meeting and a majority of shares at the meeting vote in favor. For each Shareholders Meeting, minutes must be drawn up that include the year, month, day, venue of the meeting, agenda items discussed and their results, the meeting chairman's name, and the decision-making methods used. The meeting chairman must affix his/her signature or seal to the minutes, which must be sent to all shareholders within twenty (20) days from the meeting.
- The distribution of the minutes referred to in the previous paragraph must be handled in accordance with the Company Act.
- Meeting minutes must be kept for as long as the Company exists. The sign-in sheets and the powers of attorney must be kept for at least one year. However, if a shareholder files a lawsuit under Article 189 of the Company Act, they must be kept until the end of the lawsuit.

Chapter 4 Directors and Supervisors

- Article 16. The Company has seven to nine (7-9) Directors. Among the Directors there must be no fewer than two Independent Directors, who must make up no fewer than one-fifth of the Board.
- The Directors are elected by the shareholders from among able persons. Their term of office is three (3) years. They may be re-elected. The Shareholders Meeting elects and appoints the Directors from a list of nominated candidates. This process follows the requirements of the Company Act and regulations from the competent authority of the securities industry.
- The total number of shares held by the Directors referred to in the preceding paragraph is determined in accordance with the standards stipulated in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authority in charge of the securities industry.

Article 17. Under the Board, there are functional committees, whose qualifications, powers, and remunerations are decided by the Board.

In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company has an Audit Committee responsible for the implementation of the Company Act, Securities and Exchange Act, and other relevant laws and regulations concerning the supervisors' powers. The Audit Committee consists of all Independent Directors and at least three (3) members in total.

Article 18. The Board consists of the Directors. The Chairman and Vice Chairman shall be elected by a majority voting of the Directors present at a meeting of its Board of Directors attended by two thirds or more of the Directors. The Chairman shall execute all matters of the Company in accordance with laws, regulations, the Articles of Incorporation, and resolutions of the Shareholders Meeting and the Board of Directors.

Article 19. The Board is convened by the Chairman of the Board. If the Chairman of the Board is unable to exercise his functions and powers, he is represented by the Deputy Chairman. Alternatively, if the Deputy Chairman is unable to exercise his functions and powers, the Chairman designates a Director to represent him. In the absence of such designations, the Directors designate one person from their midst to represent the Chairman.

In the event of a video conference, Directors attending the meeting by video are deemed to be attending in person.

Board meetings must be convened once every quarter. The meeting notice must state the agenda items. The Directors must be notified seven (7) days in advance, but in case of emergency, a Board Meeting may be convened on a short notice.

The Board Meeting notices in the preceding paragraph may be sent in writing, by fax, or e-mail.

Article 20. The Board decides by resolutions on the Company's operating direction; construction, sale, and purchase of its operating vessels; transportation and lease contracts for more than three (3) years for its vessels; investment in other enterprises; capital loans made to others; guarantees made to others; authorizations to others; and other important matters.

Article 21. Board resolutions are adopted by consent from the majority of Directors present at a meeting attended by more than half of the Directors, unless the Company Act provides otherwise.

A Director unable to attend may issue with a power of attorney to authorize another Director that will be attending, stating the proxy's scope of authorization. Each Director may only serve as proxy to one (1) other Director.

The deliberations of the Board must be recorded in meeting minutes, to which the meeting chairman must affix his/her signature or seal. The minutes must be

sent out within twenty (20) days after the meeting, be archived as important files of the Company, and kept in safe custody for as long as the Company exists. The deliberations must be recorded in meeting minutes in accordance with the Company Act and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The production and distribution of the meeting minutes can be completed by e-mail.

- Article 22. The Board of Directors is authorized to determine the remuneration of the Directors based on their participation in the Company's affairs and the value of their contributions in accordance with industry standards.
- Article 23. The Company may take out liability insurance for its Directors.
- Article 24. (Deleted).
- Article 25. (Deleted).

Chapter 5 The President and Vice Presidents Articles

- Article 26. The Company has one President and several Vice Presidents required depending on the actual operation. The President is appointed and removed by the Board. The Vice Presidents are appointed and removed by the Board after being nominated by the President.
- Article 27. The President shall supervise the managers reporting to him/her and manage the Company's matters; the Vice Presidents shall assist the President.

Chapter 6 Accounting

- Article 28. The Company's fiscal year runs from January 1 to December 31, and the final accounts must be prepared by the end of the year.
- Article 29. At the end of each fiscal year of the Company, the Board must prepare the following statements and submit those to the Audit Committee for review and approval, after which these statements must be submitted to the Annual Shareholders Meeting for discussion and adoption:
- I. Business report.
 - II. Financial statements.
 - III. Proposal for profit distribution or loss appropriation.
- Article 30. After a decision agreed on by a majority of the Directors present at the Board Meeting representing at least two-thirds of the Company's Directors, no less than

1% but no more than 5% of the Company's annual pre-tax benefits (the profits before deduction of remunerations of employees and Directors) must be distributed to the Company's employees, and this must be reported to the Shareholders Meeting. However, if the Company still has accumulated losses, an amount must be retained first to make up for those losses.

If the Company's final accounts result in a surplus, in addition to paying taxes and making up for losses from previous years, 10% of the balance must be retained as a statutory surplus reserve, unless the statutory surplus reserve has already reached the total paid-in capital of the Company. After the surplus reserve has reached the statutory level or there is a special revolving surplus from previous years that was not distributed, the Board must draw up a distribution proposal and submit it to the Shareholders Meeting for discussion and resolution on distribution.

The Board of Directors shall distribute all or part of the dividends, bonuses, statutory surplus reserve, and capital reserve in cash after a resolution by a majority in a meeting attended by 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 30-1. The Company's dividend policy takes reference from the Company's Articles of Incorporation, the Company's earnings status, future capital needs, and the principle of stability, to further the Company's lasting development. A surplus may be set aside as reserve or be distributed as share dividends, cash dividends, or share-and-cash dividends. When a surplus is distributed as share-and-cash dividend, the cash dividends must not be less than thirty percent (30%), so as to promote the sustainability and development of the Company.

Chapter 7 Supplemental Provisions

- Article 31. Matters not covered in these Articles of Incorporation shall be processed in accordance with the Company Act and relevant laws and regulations.
- Article 32. The Company's organizational regulations and rules of procedure shall be set by resolutions of meetings of the Board of Directors.
- Article 33. These Articles of Incorporation were adopted on October 24, 1967, (omitted). The 34th amendment was adopted on June 29, 2016. The 35th amendment was adopted on June 28, 2019. The 36th amendment was adopted on June 10, 2022.

Sincere Navigation Corporation

Chairman Hsu, Chi-Kao

**Impact of Stock Dividend Distribution on
Company's Business Performance, EPS, and ROI**

Item		Year	2025 (Estimate)
Beginning paid-in capital			NT\$5,853,533 thousand
Dividends distribution of the current year	Cash dividend per share		NT\$1.30
	Dividend per share with capital increase by retained earnings		-
	Dividend per share with capital increase by capital surplus		-
Changes in operating performance	Operating profit		Note
	Operating profit increase (decrease) ratio over the same period last year		Note
	Net income after tax		Note
	Ratio of increase (decrease) in net income after tax over the same period last year		Note
	Earnings per share (before retrospectively adjusted)		Note
	Earnings per share increase (decrease) ratio over the same period last year		Note
	Annual average return on investment (reciprocal of the annual average P/E ratio)		Note
Pro forma earnings per share and P/E ratio	If capital increase by retained earnings are redistributed as cash dividend	Pro forma earnings per share	Note
		Pro forma annual average return on investment	Note
	If capital increase by capital surplus is not processed	Pro forma earnings per share	Note
		Pro forma annual average return on investment	Note
	If capital surplus is not processed and capital increase by retained earnings are redistributed as cash dividend	Pro forma earnings per share	Note
		Pro forma annual average return on investment	Note

Note: Not applicable as the company does not publicize financial forecasting.

Chairman:
Hsu, Chi-Kao

President:
Hsu, Chi-Kao

Accounting Officer:
Fan, Hsiao-Ting

[Appendix IV]

Sincere Navigation Corporation

List of Directors:

Reporting Date: April 12, 2025

Position	Name	Date of Election	Number of Shares Held at the Time of Election			Current Number of Shares			Remarks
			Type	Number of Shares	Percentage of Shares Issued at the Time	Type	Number of Shares	Percentage of Shares Issued at the Time	
Chairman	HSU, CHI-KAO	2022.06.10	Common shares	515,000	0.09%	Common shares	515,000	0.09%	
Director	CTBC BANK CO., LTD IN CUSTODY FOR SOLAR SHIPPING AGENCY LTD	2022.06.10	Common shares	18,363,398	3.14%	Common shares	18,363,398	3.14%	
Director	CTBC BANK CO., LTD IN CUSTODY FOR ORIENT DYNASTY LTD	2022.06.10	Common shares	9,539,761	1.63%	Common shares	9,539,761	1.63%	
Independent Director	LEE, YEN-SUNG	2022.06.10	Common shares	-	0.00%	Common shares	-	0.00%	
Independent Director	CHENG, FU-KUO	2022.06.10	Common shares	-	0.00%	Common shares	-	0.00%	
Independent Director	TSENG, KUO-CHENG	2022.06.10	Common shares	-	0.00%	Common shares	-	0.00%	
Independent Director	KOO, TSE-HAU	2022.06.10	Common shares	-	0.00%	Common shares	-	0.00%	
Total			Common shares	28,418,159		Common shares	28,418,159		

Total shares issued as of June 10, 2022:

585,353,297 shares

Total shares issued as of April 12, 2025:

585,353,297 shares

Remarks:

Shares held by the Directors of the Company in accordance with the law: 18,731,305 shares. As of April 12, 2025, all Directors held: 28,418,159 shares

The company has Audit Committee, so shares held by the Supervisors of the Company in accordance with the law is not applied.

*Shares held by the Independent Directors are not included in the number of shares held by Directors.